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## Hazard Mitigation Assistance Interim Guidance on 2 C.F.R. Part 200

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### **I. TITLE**

Interim Guidance to implement the provisions of Title 2 of the Code of Federal Regulations (C.F.R.) for Hazard Mitigation Assistance (HMA)

### **II. DATE OF ISSUANCE**

February 27, 2015

### **III. PURPOSE**

This document provides Interim Guidance to implement provisions of the “Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards” found at 2 C.F.R. Part 200 and adopted by the Department of Homeland Security (DHS) at 2 C.F.R. Part 3002, 79 *Fed. Reg.* 75871 (Dec. 19, 2014), for all Hazard Mitigation Grant Program (HMGP), Pre-Disaster Mitigation (PDM), and Flood Mitigation Assistance (FMA) awards. This Interim Guidance is not exhaustive; States, local governments, Indian Tribal governments, and private nonprofit organizations are subject to all provisions in 2 C.F.R. Part 200.

### **IV. SCOPE AND EXTERNAL AUDIENCE**

This Interim Guidance applies to all PDM and FMA awards made on or after December 26, 2014, and to all HMGP awards authorized by the Robert T. Stafford Disaster Relief and Emergency Assistance Act (Stafford Act) and granted under emergency or major disaster declarations issued on or after December 26, 2014.

States, local governments, Indian Tribal governments, and nonprofit organizations receiving a FMA and PDM award made on or after December 26, 2014, must comply with the requirements of 2 C.F.R. Part 200; 44 C.F.R. Parts 79, 80, and 201 (as applicable); the *Hazard Mitigation Assistance Unified Guidance* (2013) (HMAUG); and HMA mitigation planning guidance<sup>1</sup> to the extent HMAUG and the planning guidance are consistent with this Interim Guidance. An *OMB Circular Reference, 44 C.F.R. Part 13 Updates for the Hazard Mitigation Assistance Unified Guidance (2013), and Program Administration by States Addendum (2013)* reference table is provided at the end of this guidance.

States, local governments, Indian Tribal governments, and nonprofit organizations receiving an HMGP award authorized by the Stafford Act and made under emergency or major disaster declarations issued on or after December 26, 2014, must comply with the requirements of 2 C.F.R. Part 200; 44 C.F.R. Part 80, Part 201, and Part 206 Subpart N; HMAUG; and the mitigation planning guidance to the extent HMAUG and the planning guidance are consistent with this Interim Guidance.

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<sup>1</sup> Mitigation Planning Guidance includes *Multi-Hazard Mitigation Planning Guidance under the Disaster Mitigation Act of 2000* (State Plan), *Tribal Multi-Hazard Mitigation Planning Guidance*, and *Local Mitigation Plan Review Guide*.



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If this Interim Guidance conflicts with HMAUG and the mitigation planning guidance, this Interim Guidance supersedes the conflicting sections of the HMAUG and the planning guidance.

### V. AUTHORITY

HMGP is authorized by Section 404 of the Stafford Act, Title 42 of the United States Code (U.S.C.) 5170c and its implementing regulations at 44 C.F.R. Part 206, Subpart N. The PDM Program is authorized by Section 203 of the Stafford Act, 42 U.S.C. § 5133. The FMA program is authorized by Section 1366 of the National Flood Insurance Act of 1968, as amended, 42 U.S.C. 4104c, and its implementing regulations at 44 C.F.R. Part 79. Mitigation planning is authorized by Stafford Act, Section 322, 42 U.S.C. 5165 (Mitigation Planning), and its implementing regulations at 44 C.F.R. Part 201.

### VI. GUIDANCE DETAILS

On December 26, 2014, DHS adopted, in its entirety, 2 C.F.R. Parts 200, and 3002, *79 Fed. Reg.* 75871 (Dec. 19, 2014), which supersedes and streamlines the requirements of the Office of Management and Budget (OMB) Circulars A-21, A-87, A-110, and A-122 (2 C.F.R. Parts 215, 220, 225, and 230); OMB Circulars A-89, A-102, and A-133; and the guidance in Circular A-50 on Single Audit Act follow-up. At the same time, FEMA removed 44 C.F.R. Part 13 from the Code of Federal Regulations.

### VII. INTERIM GUIDANCE

#### A. Definitions

The following definitions are adapted from 2 C.F.R. Part 200 to reflect HMA authorities and are used throughout this Interim Guidance. The definitions include terminology changes to HMAUG. The following definitions are applicable to the administration of FEMA assistance in addition to those found at 2 C.F.R. Part 200.

1. Applicant

The applicant is the emergency management agency or a similar office for the 50 States, the District of Columbia, American Samoa, Guam, the U.S. Virgin Islands, Puerto Rico, the Northern Mariana Islands, and Indian Tribal government applying to FEMA for HMA. A subapplicant applies for HMA through the applicant.

2. Closeout

Closeout is the process by which FEMA or the pass-through entity determines that all applicable administrative actions and all required work of the Federal award have been completed and takes the actions described in 2 C.F.R. § 200.343, *HMAUG Part VII. Award Administration Information D.1 and D.2*, as amended in this Interim Guidance.



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3. Federal award

The federal award is the financial assistance that a non-Federal entity receives directly from FEMA or indirectly from a pass-through entity.

4. Non-Federal entity

A non-Federal entity is a State, local, or Indian Tribal government or private nonprofit organization that carries out a Federal award as a recipient or subrecipient. See Section VII.C of this Interim Guidance for a cross-reference to HMA terminology.

5. Pass-through entity

A pass-through entity receives a Federal award and provides a subaward to a subrecipient to carry out part of an HMA award. See Section VII.C of this Interim Guidance for a cross-reference to HMA terminology.

6. Period of performance

The period of performance (POP) is the time during which the pass-through entity may incur new obligations to carry out the work authorized under the Federal award. Pass-through entities are responsible for ensuring all approved activities are completed by the end of the POP.

7. Recipient

A recipient is the emergency management agency or a similar office of the State or Indian Tribal government that receives a Federal award directly from FEMA to carry out an activity under a FEMA program. A recipient may also be a pass-through entity. The term recipient does not include subrecipients. See Section VII.C of this Interim Guidance for a cross-reference to HMA terminology.

8. State

Any state of the United States, the District of Columbia, American Samoa, Guam, the U.S. Virgin Islands, Puerto Rico, and the Northern Mariana Islands.

9. Subaward

A subaward is an award provided by a pass-through entity to a subrecipient for the purpose of carrying out part of a Federal award received by the pass-through entity. See Section VII.C of this Interim Guidance for a cross-reference to HMA terminology.

10. Subrecipient

A subrecipient is a State agency, local government, Indian Tribal government, or private non-profit organization that receives a subaward from a pass-through entity to carry out part of the Federal award. See Section VII.C of this Interim Guidance for a cross-reference to HMA terminology.



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### B. Abbreviations

BCA	Benefit-Cost Analysis
C.F.R.	Code of Federal Regulations
DHS	Department of Homeland Security
FMA	Flood Mitigation Assistance
GAR	Governor's Authorized Representative
HMA	Hazard Mitigation Assistance
HMAUG	Hazard Mitigation Assistance Unified Guidance
HMGP	Hazard Mitigation Grant Program
OMB	Office of Management and Budget
PDM	Pre-Disaster Mitigation
POP	Period of Performance
SFHA	Special Flood Hazard Area
U.S.C.	United States Code

### C. Terminology References

Unless stated otherwise in this Interim Guidance, the following terminology references in HMA program regulations (44 C.F.R. Parts 79, 80, 201, and 206), HMAUG, the mitigation planning guidance, and HMA policies should be read in conjunction with the corresponding definition in 2 C.F.R. Part 200. All grantees, subgrantees, applicants, and subapplicants, as defined in Section VII.A of this Interim Guidance, must comply with the relevant requirements prescribed throughout 2 C.F.R. Part 200 as described below.

#### 1. Subgrant

All references to *subgrant* in applicable program regulations, HMAUG, and mitigation planning guidance are subject to the requirements of *subaward*, as defined in this Interim Guidance, and to the requirements of a *federal award* as defined in 2 C.F.R. Part 200 and this Interim Guidance, with respect to funds a subgrantee receives indirectly from a pass-through entity.

#### 2. Subgrantee

All references to a *subgrantee* in the applicable program regulations, HMAUG, and mitigation planning guidance are subject to the requirements of a *subrecipient*, as defined in this Interim Guidance, and to the requirements of a *non-federal entity*, as defined in 2 C.F.R. § 200.69 and this Interim Guidance.



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### 3. Grant

All references to *grant* in the applicable program regulations, HMAUG, and mitigation planning guidance are subject to the requirements of a *federal award*, as defined in 2 C.F.R. Part 200 and this Interim Guidance.

### 4. Grantee

All references to *grantee* in the applicable program regulations, HMAUG, and mitigation planning guidance are subject to the requirements of a *recipient*, a *non-Federal entity*, and a *pass-through entity*, as defined in this Interim Guidance, with respect to the *grantee's* role in administering the award to a *subgrantee*.

## D. General Provisions

### 1. Conflict of Interest: 2 C.F.R. § 200.112

Recipients and pass-through entities must follow their own policies and procedures for eliminating or reducing conflicts of interest when making subawards. Recipients and pass-through entities are also required to follow any applicable State, local, or Tribal statutes or regulations governing conflicts of interest in the making of subawards.

Conflicts of interest may arise during the process of FEMA making a Federal award—for instance, in situations where an employee, officer, or agent; any members of the individual's immediate family; or his or her partner has a close personal relationship, business relationship, or professional relationship with an applicant, subapplicant, recipient, subrecipient, or employee of one of those entities.

The recipient or pass-through entity must disclose to FEMA in writing any real or potential conflict of interest, as defined by the Federal, State, local or Tribal statutes or regulations or its own existing policies, that may arise during the administration of the federal award. Recipients and pass-through entities must disclose any real or potential conflicts to the Federal Approving Official within 15 days of learning of the conflict of interest. Similarly, subrecipients must disclose any real or potential conflict of interest to the pass-through entity as required by the recipient's conflict of interest policies or any applicable State, local, or Tribal statutes or regulations. This requirement starts when the application period opens, continues during the entire POP, and ends when the last audit is completed.

For conflict of interest requirements for procurement under awards, all applicants, sub-applicants, and non-Federal entities must follow the requirements under the procurement regulations found at 2 C.F.R. §§ 200.317–200.326.

### 2. Mandatory Disclosures: 2 C.F.R. § 200.113

A recipient or applicant for a Federal award must disclose all violations of Federal criminal law involving fraud, bribery, or gratuity potentially affecting the Federal award committed by the Governor's Authorized Representative (GAR), Alternate



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GAR, or any other personnel directly involved with the Federal award. Such disclosure shall be submitted in writing to the appropriate FEMA Regional Office no later than 30 days after confirmation that such a violation occurred.

Similarly, a subrecipient or subapplicant must disclose, in a timely manner, all violations of Federal criminal law involving fraud, bribery, or gratuity potentially affecting the Federal award committed by personnel directly involved with the Federal award. Such disclosure must be submitted in writing to the pass-through entity.

### 3. Performance Goals

FEMA will continue to use performance reports as required in *HMAUG, Part VI, Award Administration Information C.2 Performance Reports*. The scope of work and schedule for each subaward includes the timing of significant milestones and the anticipated quarterly use of Federal funds. FEMA will use this information to measure progress of Federal award activities and determine if additional technical assistance is needed.

### 4. Risk Assessment for Competitive Grant Programs PDM and FMA Prior to Federal Award

For PDM and FMA, FEMA has a framework for evaluating the risk of making an award to an applicant. This risk assessment addresses the following:

- a) Does the pass-through entity/recipient have the necessary experience, organization, and technical qualifications to manage an HMA program?
- b) Were there any major findings on the last single audit of the pass-through entity/recipient related to HMA programs?
- c) Is the pass-through entity/recipient a historically poor performer and has it committed material violations of terms or conditions of previous HMA awards?

### 5. Specific Conditions for At-Risk Applicants for HMA

FEMA may impose additional specific conditions on the award, as outlined in 2 C.F.R. § 200.207, that correspond to the degree of risk assessed.

Pass-through entities can appeal using the reconsideration process outlined in Section VII.E.9 of this Interim Guidance. FEMA may remove the additional conditions when the circumstances that required them have been corrected.

## **E. Post-Federal Award Requirements**

### 1. Period of Performance: 2 C.F.R. § 200.309

A non-Federal entity may charge only allowable costs incurred during the POP and any approved pre-award costs incurred before FEMA or the pass-through entity made the award.



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The POP does not include the 90-day reporting period, and costs incurred during that period are not chargeable to the FEMA award. HMA recipients and subrecipients must complete all administrative actions within the POP if they seek federal funds to cover these costs. Pass-through entities should prepare a scope of work, schedule, and budget estimate for a management cost application that incorporates all administrative actions during the POP.

### 2. Equipment

The non-Federal entity that obtains title to the equipment acquired under the award is subject to the following conditions outlined in 2 C.F.R. § 200.313:

- a) Use the equipment for the authorized purposes of the project until funding for the project ceases or until the property is no longer needed for the purposes of the project.
- b) Do not encumber the property without approval of FEMA or the pass-through entity.
- c) Use and dispose of the property in accordance with 2 C.F.R. § 200.313.

Equipment acquired with a FEMA award must be used consistent with the purposes of the HMA award. FEMA may require the non-Federal entity to record liens or other notices of record to indicate that use and disposition conditions apply to the property.

### 3. Supplies

FEMA retains an interest in any unused supplies exceeding \$5,000 in total aggregate value upon termination or completion of the project or program if the supplies are not needed for any other FEMA award. The non-Federal entity must compensate FEMA for its share of the supplies as required by 2 C.F.R. § 200.314.

As long as FEMA retains interest in supplies, the non-Federal entity must not use the supplies to provide services to other organizations for a fee that is less than private companies charge for equivalent services.

### 4. Procurement Standards

- a) *Procurements by States*: When procuring property and services under a Federal award, a state recipient or subrecipient must comply with the requirements of 2 C.F.R. § 200.317. The regulation at 2 C.F.R. § 200.317 requires a state recipient or subrecipient to follow the same policies and procedures it uses for procurements from its non-Federal funds, and also requires it to comply with 2 C.F.R. § 200.322 and ensure that every purchase order or other contract it issues under a Federal award includes the applicable clauses required by 2 C.F.R. § 200.326.



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- b) *Procurements by Non-Federal Entities That Are Not States:* All non-Federal entities that are not states and are recipients and subrecipients of Federal awards must follow 2 C.F.R. §§ 200.318–200.326 when procuring property and services under a Federal award.
- i. *Nonprofit Organizations, Institutions of Higher Education, and Hospitals:* Nonprofit organizations, institutions of higher education (as defined at 20 U.S.C. § 1001), and hospitals that were previously subject to the procurement standards set forth at 2 C.F.R. Part 215, are now subject to the procurement standards set forth at 2 C.F.R. §§ 200.318–200.326. These requirements differ from previous requirements, and the affected non-Federal entity should familiarize itself with these new standards.
  - ii. *Conflict of Interest Policy:* The non-Federal entity must maintain written standards of conduct covering conflicts of interest and governing the performance of its employees engaged in the selection, award, and administration of contracts as required in 2 C.F.R. § 200.318. No employee, officer, or agent may participate in the selection, award, or administration of a contract supported by a Federal award if he or she has a real or apparent conflict of interest.  

If the non-Federal entity has a parent, affiliate, or subsidiary organization that is not a State, local government, or Indian tribe, the non-Federal entity must also maintain written standards of conduct covering organizational conflicts of interest. Organizational conflicts of interest when the non-Federal entity is unable or appears to be unable to be impartial in conducting a procurement action involving a related organization because of relationships with a parent company, affiliate, or subsidiary organization.
  - iii. *Contractors Who Provide Assistance in Preparing Grant Applications for HMA:* To ensure objective contractor performance and eliminate unfair competitive advantage, contractors that develop or draft design plans and specifications, requirements, statements of work, and invitations for bids or requests for proposals must be excluded from competing for such procurements as required in 2 C.F.R. § 200.319(a).
  - iv. *Methods of Procurement:* A non-Federal entity must use one of the following five methods of procurement described at 2 C.F.R. § 200.320: procurement by micro-purchases, procurement by small purchase procedures, procurement by sealed bids, procurement by competitive proposals, and procurement by noncompetitive proposals.
  - v. *FEMA Review of a Pass-Through Entity's Approval of a Subrecipient's Use of Procurement by Noncompetitive Proposals.* A pass-through entity may approve a subrecipient's written request to conduct procurement through a noncompetitive proposal. In cases where a pass-through entity approves a



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request to use a noncompetitive proposal, the approval must be consistent with all applicable State, local, or Tribal laws and regulations and the pass-through entity's and subrecipient's written procurement standards. Additionally, pass-through entities' and subrecipients' procurements must continue to comply with the requirements of 2 C.F.R. §§ 200.318–200.326, even in cases where the pass-through entity approves a request to use noncompetitive proposals.

FEMA may review a pass-through entity's decision to allow a procurement using noncompetitive proposals during the monitoring process, in response to an audit finding or in other similar circumstances, or for the reasons specified in 2 C.F.R. § 200.324. In performing a review, FEMA will review the written procurement records for the transaction, including the rationale for the method of procurement, selection of contract type, and contractor selection or rejection.

If a pass-through entity has documented justification for allowing a noncompetitive procurement, FEMA will review the documented justification for approving the noncompetitive procurement to ensure that the procurement complies with the requirements of 2 C.F.R. §§ 200.318–200.326, and may also require the pass-through entity to demonstrate that the decision to approve the non-competitive proposal is consistent with applicable State, local, or Tribal laws and regulations and all applicable written procurement standards. FEMA may also review whether the costs incurred under the procurement are reasonable.

- c) *Grace Period:* Non-Federal entities may continue to comply with the applicable procurement standards in 44 C.F.R. §13.36 (for states, local, and federally recognized tribes) or 2 C.F.R. §§ 215.40 to 48 (for institutions of higher education, hospitals, and other nonprofit organizations for one additional fiscal year after December 26, 2014. If a non-Federal entity chooses to use the previous procurement standards for an additional fiscal year before adopting the procurement standards in this part, the non-Federal entity must document this decision in its internal procurement policies.

### 5. Requirements for Pass-through Entities

There are additional responsibilities for pass-through entities when administering subawards, many of which are highlighted in this Interim Guidance and listed below. The Interim Guidance does not provide an exhaustive list and pass-through entities must adhere to all of the requirements in 2 C.F.R. Part 200.

All pass-through entities must:

- a) Ensure that every subaward is clearly identified to the subrecipient as a subaward and includes information required in 2 C.F.R. § 200.331.



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- b) Evaluate each subrecipient's risk of noncompliance with Federal statutes, regulations, and the terms and conditions of the subaward for purposes of determining the appropriate subrecipient monitoring described in 2 C.F.R. § 200.331.
- c) Consider imposing additional specific subaward conditions upon a subrecipient, if appropriate, and notify subrecipient, as described in 2 C.F.R. § 200.207.
- d) Monitor the activities of the subrecipient as necessary to ensure that the subaward is used for authorized purposes, in compliance with Federal statutes, regulations, and the terms and conditions of the subaward and that subaward performance goals are achieved. State and Indian Tribal government monitoring of the subrecipient must meet the requirements in 2 C.F.R. § 200.331.
- e) Verify that every subrecipient is audited as required by 2 C.F.R. Subpart F—Audit Requirements when it is expected that the subrecipient's Federal awards expended during the respective fiscal year equaled or exceeded \$750,000 (set forth in 2 C.F.R. § 200.501).
- f) Consider whether the results of the subrecipient's audits, on-site reviews, or other monitoring indicate conditions that necessitate adjustments to the pass-through entity's own records.
- g) Consider taking enforcement action against noncompliant subrecipients as described in 2 C.F.R. § 200.338.

### 6. Remedies for Noncompliance

FEMA may apply additional specific conditions, as outlined in 2 C.F.R. § 200.207 and VII.D.6 of this Interim Guidance, if it is necessary to address a risk posed by an applicant or recipient, including, but not limited to: 1) the applicant's history of failing to comply with Federal statutes, regulations, or terms or conditions of a Federal award, whether stated in an assurance, a State Administrative Plan, application, a notice of award, this guidance, HMAUG, or the mitigation planning guidance; or 2) failing to meet expected performance goals.

If FEMA determines that imposing additional specific conditions will not remedy the noncompliance, FEMA may take one or more of the following actions as described in 2 C.F.R. § 200.338:

- a) Temporarily withhold cash payments;
- b) Disallow costs;
- c) Wholly or partially suspend or terminate the award;
- d) Initiate suspension or debarment proceedings;
- e) Withhold further Federal awards for the project or program; or



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- f) Take other remedies legally available.

The pass-through entity may similarly impose specific conditions or remedies for noncompliance as described in this section.

### 7. Termination

The Federal Award may be terminated in whole or in part:

- a) By FEMA or the pass-through entity, if a non-Federal entity fails to comply with the terms and conditions of a Federal award;
- b) By FEMA or the pass-through entity for cause;
- c) By FEMA or the pass-through entity with the consent of the non-Federal entity, in which case the two parties must agree upon the termination conditions, including the effective date and, in the case of partial termination, the portion to be terminated; or
- d) By the non-Federal entity upon sending to the pass-through entity written notification setting forth the reasons for such termination, the effective date, and, in the case of partial termination, the portion to be terminated. However, if FEMA or the pass-through entity determines in the case of partial termination that the reduced or modified portion of the Federal award or subaward will not accomplish the purposes for which the Federal award was made, FEMA or the pass-through entity may terminate the Federal award in its entirety.

The pass-through entity must provide the subrecipient a notice of termination and subsequently notify FEMA to closeout the Federal award.

### 8. Appeals (HMGP) and Reconsiderations (FMA and PDM)

For the FMA and PDM programs, FEMA will reconsider determinations of noncompliance, additional award conditions placed on the recipient or subrecipient, or its decision to terminate a Federal award. The pass-through entity must send information for reconsideration to FEMA Headquarters within the time specified in the notification from FEMA. A FEMA decision will uphold or overturn a decision regarding a Federal award based on the information provided by the pass-through entity, subrecipient, and application and award and subaward management records collected by FEMA.

For HMGP, the non-Federal entities can appeal any FEMA determination regarding HMGP, including additional award conditions and terminations of awards using the existing appeals process outlined in 44 C.F.R. § 206.440 and *HMAUG Part IX*.  
*Additional Program Guidance: Hazard Mitigation Grant Program A.12 Appeals.*

### 9. Closeout of Subawards – Subrecipient and Pass-through Entity

The pass-through entity will close out the subaward when it determines that all applicable administrative actions and all required work of the Federal award have



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been completed by the subrecipient. Within 90 days from when the subrecipient completes all administrative actions and project work, the pass-through entity must follow the steps outlined in the *HMAUG Part VII. Award Administration Information D.1 Subgrant Closeout*.

### 10. Closeout of Federal Award – Pass-through Entity and FEMA

The pass-through entity must submit final reports when it determines that all administrative actions and required work have been completed. This may be before the POP ends.

FEMA will close out the Federal award when it determines that all applicable administrative actions and all required work of the Federal award have been completed by the pass-through entity. Within 90 days from when the pass-through entity completes all administrative and project work the steps outlined in *HMAUG, Part VII. Award Administration Information D.2 Grant Closeout* should be completed.

### 11. Record Retention Pass-through Entities and Subrecipients

*HMAUG Part VII. Award Administration Information D.1 Subgrant Closeout* and *D.2 Grant Closeout* have information concerning record retention requirements. The last paragraph of each section is replaced with the following, which applies to all non-Federal entities:

Financial records, supporting documents, and all other non-Federal entity records pertinent to a Federal award must be retained for a period of 3 years from the date of submission of the final expenditure report in accordance with 42 U.S.C. § 5205, Section 705 of the Stafford Act and 2 C.F.R. §§ 200.333–200.337.

FEMA retains the right to disallow costs and recover funds on the basis of a later audit or other review after closeout.

### 12. Cost Principles and Audit Requirements

All non-Federal entities are required to comply with the Cost Principles and Audit Requirements as outlined in 2 C.F.R. Part 200.

### 13. Contingency Cost

Contingency cost means an allowance in the total cost estimate for situations that are not able to be fully defined at the time the estimate is prepared. Typically, this includes estimated costs for items (such as a large construction project) associated with possible events or causes whose impact at the time of the estimate is unknown but will likely result in additional costs. Amounts for major project scope changes, unforeseen risks, or extraordinary events may not be included.

For project applications, cost estimates may include contingencies as separate line items; however, the recommended total contingency range is 1 to 5 percent



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although it may be raised to 7 percent for historic properties as defined under the National Historic Preservation Act. As with other line items in the budget, the subapplicant should justify the contingency estimate based on the nature of the proposed project. The total project cost, which may include contingencies, will be the one used to compute the BCA.

Contingency funds are not automatically available for use. A justification, submitted by the applicant or non-federal entity to FEMA, must demonstrate what unforeseen condition related to the project arose that required the use of contingency funds. The recipient must use the scope of work and budget change process (see HMAUG, Part VII B.2 and B.3) to reassign funds to a different line item. This will require the submission of updated documentation to justify the increased costs.

Although contingency costs may be included in the cost estimate at the time of initial project scoping and estimate, they cannot be included at project closeout.

### **VIII. RESPONSIBLE OFFICE**

Federal Insurance and Mitigation Administration, Risk Reduction Division, Grants Policy Branch

### **IX. SUPERSESION**

This Interim Guidance supersedes any conflicting provisions of HMAUG, Addendums to HMAUG, planning mitigation guidance, and related documents on this subject for HMA. For PDM and FMA, this guidance applies to awards made on or after December 26, 2014. For HMGP, this guidance applies to awards authorized by the Stafford Act and made under major disaster declarations issued on or after December 26, 2014.

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Deputy Associate Administrator for Mitigation  
Federal Emergency Management Agency



## Hazard Mitigation Assistance Interim Guidance on 2 C.F.R. Part 200

### OMB Circular Reference and 44 C.F.R. Part 13 Updates for the *Hazard Mitigation Assistance Unified Guidance (2013)* and *Program Administration by States Addendum (2013)*

Page Number	Section	Existing Information	Updated Information
<b><i>Hazard Mitigation Assistance Unified Guidance (2013)</i></b>			
Page 15	Part II. Frontloading HMA Program Eligibility Requirements, J. Project Monitoring	44 C.F.R. § 13	2 C.F.R. § 200
Page 15	Part II. Frontloading HMA Program Eligibility Requirements, K. Closeout	44 C.F.R. § 13.50	2 C.F.R. §§ 200.343 and 200.344
Page 18	Part IV. Eligibility Information, B. Cost sharing	44 C.F.R. § 13.24	2 C.F.R. §§ 200.29 and 200.306
Page 21	Part IV. Eligibility Information, C.2 Conflict of Interest	44 C.F.R. § 13.36 44 C.F.R. § 13.37	2 C.F.R. §§ 200.112, 200.113 and 200.331 and as amended by this Interim Guidance
Page 23	Part IV. Eligibility Information, D.1 Eligible Activities	44 C.F.R. § 13.22	2 C.F.R. Subpart E Cost Principles
Pages 37–38	Part IV. Eligibility Information, D.8 Statutory, Regulatory, and other Requirements	<ul style="list-style-type: none"> <li>• Uniform Administrative Requirements for Grants and Cooperative Agreements to States and Local Governments (44 C.F.R. Part 13)</li> <li>• Uniform Administrative Requirements for Grants and Agreements with Institutions of Higher Education, Hospitals and Other Nonprofit Organization (2 C.F.R. Part 215)</li> </ul>	2 C.F.R. Part 200



## Hazard Mitigation Assistance Interim Guidance on 2 C.F.R. Part 200

Page Number	Section	Existing Information	Updated Information
		<ul style="list-style-type: none"> <li>• <i>Cost Principles for Educational Institutions</i> (2 C.F.R.CFR Part 220, OMB Circular A-21); <i>Cost Principles for State, Local and Indian Tribal Governments</i> (2 C.F.R. Part 225, OMB Circular A-87); <i>Cost Principals for Nonprofit Organizations</i> (2 C.F.R. § 230, OMB Circular A-122)</li> <li>• OMB Circular A-133, <i>Audits of State, Local Governments, and Nonprofit Organizations</i></li> </ul>	
Pages 41–42	Part V. Application and Submission Information, G.1 General Applicant	44 C.F.R. Part 13	2 C.F.R. Part 200
Page 61	Part VII. Award Administration Information, B.1 Cost Share Documentation	44 C.F.R. § 13.24	2 C.F.R. §200.29 2 C.F.R. §200.306 2 C.F.R. §200.434
Page 62	Part VII. Award Administration Information, B.2 Scope of Work Changes and B.3 Budget Changes	44 C.F.R. § 13.30; OMB Circulars A-87 and 2 C.F.R. Part 225, <i>Cost Principles for State, Local, and Indian Tribal Governments</i>	2 C.F.R. Part 200–Subpart E Cost Principles
Page 62	Part VII. Award Administration Information, B.3.2. Construction Projects	44 C.F.R. § 13.30	2 C.F.R. §200.308
Page 64	Part VII. Award Administration Information, B.6 Program Income	44 C.F.R. § 13.25(g)(1)	2 C.F.R. §200.307
Page 65	Part VII. Award Administration Information, B.8. Noncompliance	44 C.F.R. 13.43	2 C.F.R §§ 200.338–200.342.



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Page Number	Section	Existing Information	Updated Information
Page 67	Part VII. Award Administration Information, C.3 Final Reports	44 C.F.R. 13.50	2 C.F.R.§200.343
Page 67–68	Part VII. Award Administration Information, D.1 Subgrant Closeout	44 C.F.R. 13.25(g)(1) 44 C.F.R. 13.42	2 C.F.R.§200.307 2 C.F.R. §§ 200.333– 200.337
Page 68	Part VII. Award Administration, D.2 Grant Closeout	44 C.F.R 13.42	2 C.F.R. §§ 200.333– 200.337
Page 74	Part IX. Additional Program Guidance: HMGP, A.2.3 Procedures to Guide Implementation Activities	44 C.F.R. Part 13 44 C.F.R. § 13.26 OMB Circular A-133	2 C.F.R. Part 200 2 C.F.R. Part 200–Subpart F Audit Requirements
<b><i>Program Administration by States Addendum (2013)</i></b>			
Page 9	Part 16 Financial Statement Audit	OMB Circular A-133	2 C.F.R. Part 200–Subpart F Audit Requirements
Page 10	Part 18 High Risk Grantee	44 C.F.R. § 13.12	2 C.F.R.§200.338
Page 17	Table One: Grant closeout	44 C.F.R. § 13.50(b)	2 C.F.R.§200.343
Page 18	Table One: Financial Management	44 C.F.R. § 13.22	2 C.F.R. §§ 200.302 and 200.303