

# Federal Emergency Management Agency

Washington, D.C. 20472

MEMORANDUM FOR: Regional Directors  
Regions I-X

ATTN: Mitigation Division Directors  
Disaster Field Offices

FROM: Richard T. Moore  
Associate Director for Mitigation

DATE: 14-AUG-95

SUBJECT: United States Army Corps of Engineers (USACE) Structural Flood  
Control Projects and the HMGP

Currently, we have at least two projects pending where a local government proposes to use an HMGP grant to complete a portion of the local contribution to a USACE flood control project. This memorandum is to clarify that HMGP funds may not be used by a local government to meet its performance or financial responsibilities for a USACE project.

For every flood control project undertaken by the USACE, a Project Coordination Agreement (PCA) is entered into with the project sponsor (e.g. community, county, flood control district). Specifically, PCA's address project sponsor performance responsibilities, such as the acquisition of land, easements, and rights-of-way; performance of or payment for all related relocations; and the operation, maintenance, and repair of the completed project. The PCA also discusses the financial responsibilities of a project sponsor. The USACE requires the project sponsor to provide a minimum of 25% and maximum of 50% (depending upon the cost of the performance responsibilities described above) of the total project cost, 5% of which must be a cash contribution.

While a project sponsor may petition the USACE to utilize other Federal agency funds to meet their financial and performance responsibilities under the PCA; the USACE requires certification from the other agency that its governing statute allows its funds to be used as match for another Federally funded project. The HMGP cannot be used for this purpose. As delineated in our regulations at 44 CFR Part 206.434(g), HMGP funds do not lose their Federal identity and may not be used as a match for other Federal funds, including USACE projects.

I hope this information will clear up any issues that have arisen in this area. Please call Robert F. Shea at (202) 646-3619 if you have any questions about this memorandum.