

Federal Emergency Management Agency
Washington, D.C. 20472

AA-15

MEMORANDUM FOR: Regional Directors
Regions I-X

ATTENTION: Mitigation Division Directors

FROM: Michael J. Armstrong
Associate Director for Mitigation

DATE: 30-SEP-97

SUBJECT: new Policy for Management Costs Under the Hazard
Mitigation Grant Program (HMGP)

This memorandum establishes a new policy regarding the relationship of HMGP grantee management costs to the fifteen percent ceiling.

Effective for all disasters declared on or after October 1, 1997, grantee management costs will be awarded as part of the HMGP ceiling, established by estimating fifteen percent of other Stafford Act grants. This means that for any given disaster, the grantee management costs combined with the cost of all approved HMGP projects may not exceed the final lock-in ceiling. FEMA will continue to award the grantee and subgrantee administrative costs separately from the RMGP ceiling.

The purpose of this policy change is to ensure the HMGP is consistent with general Federal grants management procedures. Under most Federal grant programs, grantee personnel and other administrative costs are charged to the grant award itself; no separate appropriation exists for program management.

I appreciate your assistance in implementing this new policy. Please notify the Governors' Authorized Representatives of the change immediately. If you have any questions or concerns about the new policy, please contact me or Robert F. Shea, of my staff, at 202-646-3619.

Attachment removed