

# Federal Emergency Management Agency

Washington, D.C. 20472

MEMORANDUM FOR: FEMA Regional Directors  
Regions I -X

ATTENTION: Mitigation Division Directors  
ARP Division Directors  
Regions I-X

FROM: Anthony S. Lowe  
Director  
Mitigation Division

DATE: 21-MAY-03

SUBJECT: Guidance on HMGP Grants Management Terms

This guidance addresses consistent terminology for grants and grants management. We are issuing this memo because we have been asked to provide more specific guidance on terminology.

The following terms have been developed using Principles of Appropriations Law, commonly known as the General Accounting Office (GAO) "Red Book" and existing guidance. We have worked with both mitigation program staff and Assistance Officers to reach a common definition for these frequently used terms. These definitions are effective as of the date of this memo.

Activity: Any mitigation measure, project, or action proposed to reduce risk of future damage, hardship, loss or suffering from disasters. Activities include both plans and projects.

Application Period: For disasters declared on or after February 26, 2002, the 12 month period from the date of declaration that the State has to identify activities and submit its applications to FEMA (44 CFR 206.436(d)). The application period is important because scope of work changes cannot be made after the application period expires. No new activities or activities that have not been pre-identified and submitted during the application period can be considered after the application period expires. The Regional Director may extend the application period by 30 to 90 day increments, not to exceed 180 days. The application period does not affect FEMA's 24-month obligation deadline.

Cost Overrun:	A cost overrun is an unanticipated increase in the cost of performing the specified objectives of an activity. Guidance on cost overruns can be found at 44 CFR 206.438(b).
Cost Underrun:	A cost underrun is an unanticipated decrease in the cost of performing the specified objectives of an activity. Cost underruns can be used to offset cost overruns for other HMGP activities within the same disaster. Cost underruns cannot be applied to new activities if the application period has expired.
Grant:	An award of financial assistance. For HMGP, the grant refers to the overall HMGP program for a disaster.
Grantee:	The government to which a grant is awarded. Generally a State is the Grantee but Indian tribal governments may choose to be a Grantee.
Period of Performance:	For the overall program grant this is the period of time during which the Grantee is expected to complete activities and obligate HMGP program funds. A Grantee may not expend FEMA funds after the expiration of the specified period of performance unless that period is extended by FEMA. The Grantee has up to 90 days following the expiration of the period of performance to liquidate valid expenditures made in the performance period. For HMGP, the last activity completion date sets the end date for the overall HMGP program grant.
Pre-Identified Activity:	A proposed activity that has been approved by the Grantee and has been forwarded to FEMA to approve should funds become available as a result of withdrawn subgrant applications or reductions in scopes of work. These applications must be prioritized and submitted within the application period and must note that they are to be held in reserve in the event of a reduced scope of work in another activity or a withdrawn activity. Applications for pre-identified activities must be complete, including benefit cost analysis, before they are submitted to FEMA.
Activity Completion Date:	The date by which a subgrantee must complete an activity funded under a HMGP grant. Individual subgrant activity completion dates fall under the overall HMGP program grant to the State. The last activity completion date sets the period of performance for the HMGP program grant.

Activity Completion Timeframe:	This is the subgrant equivalent of the period of performance. It is the period of time during which the subgrantee is expected to complete activities, including plans, and liquidate HMGP program funds. HMGP program guidance limits individual activity completion timeframes to three years.
Scope of Work:	The specific goal, purpose and result of an approved mitigation activity, including the activity objectives, budget, activity completion date, and period of availability of funds.
Scope of Work Change:	Any change to the objective, purpose and outcome of approved mitigation activity, regardless of budget implications. Scope of work changes cannot occur after the application period expires. Examples of scope of work changes include: <ul style="list-style-type: none"> <li>○ Changing the number of houses in a retrofit or acquisition project</li> <li>○ Changing the size of a replacement culvert</li> <li>○ Expanding or reducing the project area</li> <li>○ Changing the number of homes to be elevated</li> <li>○ Changing from an acquisition to a relocation project</li> <li>○ A change in State or local agency implementing the grant or subgrant</li> <li>○ A change in key personnel, if key personnel are mentioned, by name, in the application</li> </ul>
Subgrant:	An award of financial assistance under a grant by a Grantee to an eligible Subgrantee. HMGP activities are subgrants.
Subgrantee:	The government or other legal entity to which a subgrant is awarded and which is accountable to the grantee for the use of the funds provided. Subgrantees can be a State agency, local government, private nonprofit organization, or Indian tribal government.
Void Activity:	An activity application that has been submitted by the State to FEMA and is withdrawn before funds are awarded.
Withdrawn Activity:	A subgrant that has been submitted by the State and awarded funds by FEMA, but is withdrawn by the State and will not be implemented.