



FEMA

DISASTER ASSISTANCE POLICY

DAP9525.8

I. TITLE: Damage to Applicant-Owned Equipment Performing Emergency Work

II. DATE:

III. PURPOSE:

This policy provides guidance for determining the eligibility of damage and extraordinary maintenance to applicant-owned equipment used to perform emergency work.

IV. SCOPE AND AUDIENCE:

This policy is applicable to all major disasters and emergencies declared on or after the publication date of this policy. It is intended for personnel involved in the administration of the Public Assistance Program.

V. AUTHORITY:

Section 403(a) of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (Stafford Act), 42 U.S.C. 5170b, Title 44 of the Code of Federal Regulations (CFR) §§206.223(a)(1), 206.225 and 206.228(a)(1).

VI. BACKGROUND:

The FEMA *Schedule of Equipment Rates* provides authorized reimbursement rates for applicant-owned equipment, and includes parts and labor for normal maintenance and periodic equipment overhaul. These rates are expected to cover most damage to equipment used under emergency conditions. However, when equipment sustains unusual damage or requires extraordinary maintenance as a result of emergency use under severe conditions (e.g., high water or very rough terrain), and such damage cannot be reasonably avoided, repair and/or maintenance costs may be eligible for reimbursement.

Note: This policy does not address applicant-owned equipment that is damaged as a direct result of a disaster, and which may be eligible for repair or restoration in accordance with 44 CFR §206.226(h).



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VII. POLICY:

A. Extraordinary expenses for the repair and maintenance of equipment operating under severe disaster conditions may be eligible for reimbursement. Maintenance records will be required to demonstrate that the equipment was in good operational order prior to the disaster. FEMA funding will be limited to the cost of repairs less insurance proceeds, to avoid duplication of benefits, as required in Section 312(a) of the Stafford Act. Repairs to equipment in excess of \$5,000 shall require the applicant to obtain insurance equal to the amount of eligible damage to protect against future loss from the same hazard, in compliance with Section 311(b) of the Stafford Act. FEMA will use the following criteria to determine eligibility:

1. Damage to equipment must be disaster-related and not included in the FEMA *Schedule of Equipment Rates* or in other FEMA-approved rates.
2. Equipment must have been operated in severe or unusual conditions (e.g., in high water, deep sand, fire, very rough terrain, salt water, heavy snow, or in a heavy-debris environment) during emergency operations.

B. Equipment damaged or requiring maintenance due to routine use under normal working conditions for which the equipment was designed will not be eligible for any reimbursement costs other than those designated in the FEMA *Schedule of Equipment Rates* or other FEMA-approved rates (44 CFR §206.228(a)(1)).

C. Damages which FEMA determines to have been reasonably avoidable are not eligible for reimbursement.

D. Eligible Costs. Examples of potentially eligible costs resulting from operations in severe conditions include:

1. Damage caused by hitting submerged objects.
2. Damage caused by the disaster as a direct result of accomplishing emergency work, such as equipment washed away by high water when working to repair a breached levee or dam.
3. Necessary cleaning of moving parts to remove foreign material that would, if not removed, cause damage in the equipment.
4. Fluid changes for equipment not designed for use in high water conditions.



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5. Repairing or replacing tires and repairing undercarriage damage as a result of operating in severe debris conditions.

6. Damage to equipment caused by civil unrest or terrorist activity (e.g., from other than a natural disaster) when the event results in a Presidentially declared disaster or emergency declaration.

7. Replacement of fire hoses used to pump raw sewage or other contaminated liquids under emergency conditions, and when the cleaning of the hoses was not reasonably feasible.

8. Damage due to vehicle accident(s) caused by conditions resulting from the declared event while performing eligible emergency work.

Ineligible Costs. Equipment damaged or destroyed when used for other than its intended design and function is ineligible for reimbursement unless it was the only equipment available to save lives or protect property from imminent threat of harm (44 CFR §206.225(a)(1)).

Examples of specific costs that are not eligible for reimbursement include:

1. Corrosion.
2. Changing of fluids, except when required by other eligible damage or as provided in Section VII.D.4 of this policy,
3. Damage to equipment that was not related to performing eligible work, e.g., damage as the result of vandalism (except under the conditions specified in paragraph VII-D-6) or operator error.

E. Repetitive Damage. Generally, applicants operating in a high-risk environment (e.g., areas prone to frequent flooding or hurricanes), and who have failed to maintain their equipment for that environment, will not be eligible for maintenance costs that would have been avoidable under a more rigorous maintenance program.

VIII. RESPONSIBLE OFFICE: Disaster Assistance Directorate (Public Assistance Division).

IX. SUPERSESSION: This policy supersedes Response and Recovery Policy 9525.8, dated August 17, 1999, and any other relevant provisions of previous policy or guidance documents.



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X. **REVIEW DATE:** This policy does not automatically expire, but will be reviewed no later than 3 years from the date of publication.

A handwritten signature in blue ink, appearing to read "C. Castillo".

Carlos J. Castillo
Assistant Administrator
Disaster Assistance Directorate