MEMORANDUM FOR: FEMA Regional Administrators
FEMA Acting Regional Administrators
Regions I–X

ATTENTION: Disaster Assistance Division Directors

FROM: Elizabeth Zimmerman  
Assistant Administrator  
Disaster Assistance Directorate

SUBJECT: Disaster Assistance Policy DAP9524.10
Replacement of Equipment, Vehicles, and Supplies

The purpose of this memorandum is to announce the issuance of the attached final Disaster Assistance Policy DAP9524.10, Replacement of Equipment, Vehicles, and Supplies. This policy provides increased flexibility for funding the replacement of equipment, vehicles, and supplies damaged or destroyed by a disaster.

If you have any questions about this policy, please contact Preston Wilson, Public Assistance Division, via email at Preston.Wilson@dhs.gov, facsimile at (202) 646-3304 or phone (202) 646-1648.

Attachment
I. TITLE: Replacement of Equipment, Vehicles, and Supplies
   SEP 08 2009

II. DATE:

III. PURPOSE:

This policy provides guidance for the replacement of equipment, vehicles, and supplies that are destroyed by a major disaster.

IV. SCOPE AND AUDIENCE:

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

V. AUTHORITY:


VI. BACKGROUND:

A. Previous Federal Emergency Management Agency (FEMA) policy limited funding for the replacement of damaged equipment, vehicles, and supplies to the same number of items of approximately the same age, capacity, and condition.

B. Following a major disaster, applicants may determine that replacing damaged or destroyed equipment, vehicles or supplies with the exact number and capacity of the destroyed equipment, vehicles and supplies is not cost-effective or in the public interest. This policy provides increased flexibility in funding for replacement items.
VII. POLICY:

A. Definitions

1. Equipment, as defined in 44 CFR §13.3, is “tangible, non-expendable, personal property having a useful life of more than one year and an acquisition cost of $5,000 or more per unit.”

2. Supplies, as defined in 44 CFR §13.3, are “all tangible personal property other than equipment.”

B. Eligibility

1. The cost to replace equipment, vehicles, and supplies that are destroyed by a major disaster is eligible for reimbursement, but applicants are not required to replace destroyed equipment, vehicles, and supplies with the same number of items of the same age, condition, and capacity that existed at the time of the disaster. Applicants may replace equipment, vehicles, and supplies for use for the same general purpose. Eligible cost should not exceed the amount estimated in section VII.B.2. of this policy.

2. Eligible costs are limited to the costs of replacing the destroyed equipment, vehicles, and supplies with the same number of items of approximately the same age, condition, and capacity.

3. The cost to replace the same number of destroyed equipment, vehicles, and supplies with new items may be eligible if applicants can provide written justification that a used item is not reasonably available, or does not meet applicable national consensus standards.

4. When applicable, salvage value of the damaged items and insurance should be deducted from the estimated replacement costs.

VIII. RESPONSIBLE OFFICE: Disaster Assistance Directorate (Public Assistance Division).
IX. SUPERSESSION: The provisions of this policy supersede guidance on this issue contained in the Public Assistance Policy Digest (FEMA 321, January 2008) and the Public Assistance Guide (FEMA 322, June 2007).

X. REVIEW DATE: This policy does not automatically expire, but will be reviewed 3 years from the date of publication.

Elizabeth Zimmerman
Assistant Administrator
Disaster Assistance Directorate