

# Donated Resources Can Help Offset Public Assistance Project Costs

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Labor and resources donated by volunteers and organizations may also help local and Commonwealth agencies save taxpayer money by offsetting local costs under FEMA's [Public Assistance Program](#).

## Donated Resources

Individuals and organizations often donate resources to assist with disaster response activities. FEMA does not provide Public Assistance funding for donated resources. However, FEMA allows the applicant (local and Commonwealth agencies and certain private nonprofits, including houses of worship) to use the value of donated resources (non-cash contributions of property or services) related to eligible Emergency Work or categories A and B (debris removal and emergency protective measures) to offset the non-federal cost share of eligible projects and direct federal assistance. FEMA also allows applicants to use the value of donated resources related to eligible Permanent Work (categories C-G) to offset the non-federal cost share of that specific Permanent Work Project.

If there is a time-limited 100 percent federal cost share period and the applicant uses resources donated during this period, it may use the value of those donated resources to offset the non-federal cost share incurred after the 100 percent federal cost share period expires.

If the applicant uses resources from its stock that were donated during a previous incident or timeframe, it may use the value of those donated resources to offset its non-federal cost share if the applicant has not claimed the resources as an offset in a previous incident.

### **The applicant may apply the offset if all the following conditions are met:**

- The donated resource is from a third party. A third party includes private entities or individuals, including individuals that are normally paid employees of the



FEMA

Page 1 of 5

applicant or federal, Commonwealth, territorial, or tribal government, but are volunteering as unpaid individuals and not on behalf of the employer),

- The donated resource is necessary and reasonable,
- The applicant uses the resource in the performance of eligible work and within the respective project's period of performance,
- The applicant or volunteer organization tracks the resources and work performed, including description, specific locations, and hours. The applicant must track the donated resources for Permanent Work to the specific project for which it is associated.

FEMA considers unpaid individuals who volunteer their labor to the applicant to be third-party even if they are officially members or employees of the applicant organization (e.g., volunteer fire fighters at a private nonprofit volunteer fire department performing eligible Emergency Work).

Resources donated to the applicant by an organization that would normally provide the same resources under its mission, such as the American Red Cross, are eligible as an offset provided the organization is not federally funded. Additionally, if a mutual aid agreement provides for assistance at no cost to the applicant, the applicant may use the value of that assistance to offset its non-federal cost share.

**The value of a donated resource is ineligible as an offset toward the non-federal cost share if the resource is:**

- Donated by a federal agency
- Donated by another federally funded source
- Funded through a federal award
- Used as an offset to any other federal award
- Used for ineligible work.

**Contractors**

Requesting donated resources from contractors during the solicitation phase of a procurement may violate federal procurement rules as it may be considered overly burdensome or restrictive of competition.

**To remain compliant, the applicant can do the following:**



- Accept unsolicited donated resources from contractors,
- Maintain a list of donors, and
- Ask contractors that are donating resources to work with other organizations.

**If the applicant accepts donated resources from contractors, it must not do any of the following:**

- Solicit donations in its requests for proposals or solicitations for bids,
- Directly solicit donations or requests for proposals from contractors who are actively bidding on its contracts,
- Grant an award to a contractor which has donated resources for the specific work covered by the contract,
- Show favoritism or give the appearance of showing favoritism to a contractor who has donated resources, or
- Limit competition among contractors based on donated resources, especially for smaller contractors (including women or minority owned businesses) that might not be able to afford to donate resources.

## **Offset Amounts**

**FEMA applies values to donated resources as follows:**

- **Volunteer Labor:** The offset is based on the same straight-time hourly labor rate, and fringe benefits, as a similarly qualified person in the applicant's organization who normally performs similar work. **FEMA does not offset volunteer labor based on overtime or premium rates.** If the applicant does not have employees performing similar work, FEMA credits the non-federal share based on a rate consistent with those ordinarily performing the work in the same labor market that the applicant would otherwise compete for that type of work.
- **Equipment:** The offset is based on equipment rates and must not exceed the fair rental value (if loaned) or the fair market value of equipment that is in similar age and condition at the time of donation (if donated with a transfer of title).
- **Supplies or Materials:** The offset is based on current commercial rates which FEMA validates based on invoices from previous purchases or information available from vendors in the area. The amount must not exceed the fair market value at the time of donation.



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- **Buildings or Land:** For buildings or land donated permanently (i.e., with a transfer of ownership), the offset is based on the fair market value at the time of donation as established by an independent appraisal and certified by the applicant.
- **Space:** For building or land space donated for temporary use, the offset is based on the fair rental value of comparable privately-owned space in the same locality as established by an independent appraisal.
- **Logistical Support:** Reasonable logistical support for volunteers doing eligible work, such as donations warehousing and management related to eligible work, may be eligible either for funding (if the applicant provides the logistical support) or as a donated resource offset (if a third party provides the logistical support), subject to approval by FEMA.

**For Emergency Work:** FEMA applies the donated resource offset against the combined non-federal cost share for all the applicant's Emergency Work projects (Categories A and B) under the declared incident. The offset may not exceed the total out-of-pocket costs and is capped at the total non-federal cost share of these projects. FEMA prepares the Emergency Work donated resource project as a Category B Project separate from Emergency Work Projects for the applicant's incurred costs. FEMA does not obligate funding for the donated resource project until after it obligates all Emergency Work projects for the applicant.

**For Permanent Work:** FEMA applies the donated resource offset against the non-federal cost share of the specific Permanent Work project for which the resources were donated. The offset may not exceed the total out-of-pocket costs. FEMA caps the offset at the non-federal cost share of that specific Permanent Work project. The type and amount of resources donated must directly correlate to, and may not exceed, the type and amount approved in the scope of work of the Permanent Work project (e.g., if the approved scope of work includes replacement of 10 chairs and 15 chairs are donated, the donated resource offset is limited to 10 chairs). FEMA adjusts the Permanent Work project to capture any donated resource offsets related to the project upon receipt of the donated resource information and no later than closeout.

## ???????Documentation Requirements

The applicant needs to submit the following to support donated resources (not an all-inclusive list):



**For each individual:**

- Sign-in sheet (required)
- Name (required)
- Title and function (required for professional services)
- Days and hours worked (required) and
- Location of work and work performed (required)

**Equipment:**

- Same information for applicant-owned equipment and purchased equipment (required) and
- Who donated each piece of equipment (required)

**Supplies or materials:**

- Quantity used (required)
- Who donated (required)
- Location(s) used (required) and
- Invoices or other documentation to validate claimed value (required)

**Additional online resources**

- [FEMA's Public Assistance Program and Policy Guide](#)
- [Assistance for Governments and Private Non-Profits After a Disaster | FEMA.gov](#)
- [4630 | FEMA.gov](#)

