

STATE of _____ ADMINISTRATIVE PLAN
For PUBLIC ASSISTANCE

INSTRUCTIONS

This document is intended to be a sample format that States can use as guidance as they develop their own State Administrative Plan. The sample format is not meant to be used by States as their final administrative plan. It provides citations of the laws, regulations and policies that State procedures must comply with in order to meet Federal program and grant administrative requirements. Each State should tailor the format of their Administrative Plans, as needed, to best explain their own process of delivering FEMA's Public Assistance Program in their state. Section IV of the Administrative Plan must be amended for each Federally declared Emergency or Disaster Declaration.

Bolded and capitalized text is to be used as guidance and is not to be included in the final Plan as suggested text. Notes are provided in appropriate sections to indicate your State's need to comply with specific regulatory requirements.

When referencing existing state documentation, summarize and provide reference or citation. Where possible, please cite section or paragraph. FEMA may request the actual source documentation if necessary.

STATE of _____ ADMINISTRATIVE PLAN
for PUBLIC ASSISTANCE

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I. PURPOSE

The purpose of this plan is to identify the State of _____, hereinafter referred to as the State) roles, responsibilities, processes, and procedures for administering the Federal Emergency Management Agency (FEMA) Public Assistance (PA) Program. This plan will be incorporated into the State emergency plan. [Note: This complies with 44 CFR 206.207 (4), State Administrative Plan must be incorporated into the State Emergency Plan.]

The State assures FEMA that it shall comply with all applicable Federal statutes and regulations in effect during the periods for which it receives grant funding, including those listed under Section II below. The State acknowledges that funding under the FEMA PA Program is

conditional upon the State's compliance with all the terms and conditions of this plan.

II. AUTHORITY

A. State

1. State Disaster Act
2. Executive Order of the Governor
3. State Emergency Management Plan
4. FEMA State Agreement
5. List any appropriate State laws and regulations that impact delivery of disaster assistance

B. Federal

1. 42 U.S.C. 5121-5206, Robert T. Stafford Act
2. FEMA Regulation, 44 CFR Part 206
3. FEMA Regulation, 44 CFR Part 13
4. FEMA Regulation, 44 CFR Part 9
5. FEMA Regulation, 44 CFR Part 10
6. OMB Circular A-102
7. OMB Circular A-110
8. OMB Circular A-133
9. OMB Circular A-21
10. OMB Circular A-87
11. OMB Circular A-122
12. Executive Order 12612, Federalism
13. Executive Order 12699 Seismic Design
14. Executive Order 12898, Environmental Justice
15. 16 U.S.C. 3501, Coastal Barrier Resources Act,
16. 16 U.S.C. 470, National Historic Preservation Act
17. 16 U.S.C. 1531, Endangered Species Act References

III. DEFINITIONS

A. Alternate Project: A subgrantee may determine that the public welfare would not be best served by restoring a damaged facility or its function to the pre-disaster design. In this event, the subgrantee may use the Public Assistance grant for permanent restoration on that facility for other purposes. [Note: This complies with the Stafford Act 406 (c)(1), 44 CFR 206.203 (d)(2), PA Guide (FEMA #322), pgs 84 and 85.] Projects other than the damaged facility on which the subgrantee spends eligible funds are referred to as alternate projects.

B. Applicant: A State, local, Indian Tribal government, other legal entity, or certain private nonprofit organizations that receive a subgrant award and which is accountable to the Grantee for the use of the funds provided. Also referred to as the Subgrantee.

C. Emergency Work: Work which must be done before, during, and immediately after a disaster event to save lives and to protect improved property and public health and safety or to avert or lessen the threat of a major disaster. Under the Public Assistance Program, Category A (Debris Removal), and Category B (Emergency Protective Measures) are referred to as Emergency Work.

D. Federal Emergency Management Agency (FEMA): The Federal agency responsible for coordinating disaster recovery efforts.

E. FEMA State Agreement: A formal legal document between FEMA and the affected State stating the understandings, commitments, terms and conditions for assistance resulting from a Federal disaster or emergency declared by the President. The FEMA Regional Director and the Governor sign the document.

F. Governor's Authorized Representative (GAR): The person designated by the Governor to execute all necessary documents for disaster assistance programs on behalf of the State and local grant recipients. The GAR is responsible for State compliance with the FEMA-State Agreement. Normally, the GAR will also be designated as the State Coordinating Officer.

G. Grantee: The State of _____, hereinafter referred to as the State.

H. Hazard Mitigation: Cost effective measures that will reduce the potential for damage to a facility from a declared disaster event.

I. Hazard Mitigation (Section 406): Mitigation measures that must be directly part of the reconstructed work on a facility, or will protect or benefit the repaired portion of the facility. They are different from mitigation measures that are considered for eligibility under the Hazard Mitigation Grant Program (HMGP) of Section 404 of the Stafford Act. In the HMGP program, measures are proposed that may involve facilities other than those damaged by the disaster, new facilities or even non-structural measures such as development of floodplain management regulations.

J. Immediate Needs Funding: An advance of grant funds by FEMA, not to exceed 50% of the Preliminary Damage Assessment estimate, to assist with payment of emergency work within the first 60 days after a declared disaster occurs.

K. Improved Project: When performing restoration work on a damaged facility, a subgrantee may decide to use the opportunity to make improvements to the facility. Projects that incorporate such improvements are called improved projects. The improved facility must have the same function and at least the equivalent capacity as that of the pre-disaster facility. Funding for such projects is limited to the Federal share of the costs that would be associated with repairing or replacing the damaged facility to its pre-disaster design. The subgrantee must obtain approval for an improved project from the State prior to construction.

L. Joint Field Office (JFO): A temporary facility established in a Presidentially declared disaster area to serve as the field headquarters for FEMA, other Federal, and State recovery personnel, and as the focal point for disaster operation, direction, coordination and information.

M. Large Project: Approved projects estimated to cost the same or more than the large project threshold amount (\$55,000 for fiscal year

2005). The large project threshold is an amount of approved project estimated costs adjusted annually to reflect changes in the Consumer Price Index for all Urban Consumers. The large project threshold amount applicable to any project is that amount in effect on the declaration date of the disaster, regardless of when project approval is made or when the work is performed.

N. Permanent Work: Restorative work performed on damaged facilities through repairs or replacement, to pre-disaster design and current applicable standards. FEMA PA Categories C through G are referred to as permanent work. Under the Public Assistance Program, Category C (Roads and Bridges), Category D (Water Control Facilities), Category E (Buildings and Equipment), Category F (Utilities), and Category G (Parks, Recreational Facilities, and Other Items), are referred to as Permanent Work.

O. Project Worksheet (FEMA Form 90-91): Form used to document the scope of work and cost estimate for a project.

P. Public Assistance Coordinator (PAC): a FEMA program expert who serves as the subgrantee's representative on PA Program matters and manages the processing of the subgrantee's projects.

Q. Small Project: Approved projects estimated to cost less than the large project threshold amount.

R. Special Considerations: Issues that involve insurance, floodplain management, hazard mitigation, historic preservation and environmental reviews as they relate to Public Assistance Program funding.

S. State Coordinating Officer (SCO): The person designated by the Governor to coordinate State and local disaster assistance efforts with that of the Federal government. Normally, the SCO will also be designated as the GAR.

T. State Public Assistance Officer (SPA0): The person responsible for administering the Public Assistance Program at the State level. SPA0 will normally be a member of the State Emergency Management staff.

U. Subgrantee: A government, other legal entity, or certain private nonprofit organizations that receive an award and which is accountable to the Grantee for the use of the funds provided. Also referred to as the Applicant.

V. List any appropriate State definitions that are applicable for the delivery of disaster assistance (i.e. State Applicant Liaison).

IV. RESPONSIBILITIES AND ORGANIZATION

A. The Governor has designated the State (insert name of emergency management agency), as the State office responsible for managing and administering the Public Assistance Program. [Note: This complies with 44 CFR 206.207 (b), Designation of the State agency with responsibility

for program administration.] These responsibilities include, but are not limited to:

1. Submitting the Application for Federal Assistance (SF-424).
2. Complying with Federal and State program and grant administrative requirements.
3. Notifying potential applicants of the availability of assistance
4. Conducting Applicants' Briefings.
5. Requesting Immediate Needs Funding on behalf of applicants as applicable.
6. Attending Kickoff Meetings.
7. Assigning a Public Assistance Liaison to work with the FEMA Public Assistance Coordinator (PAC).
8. Assisting FEMA in determining work and applicant eligibility.
9. Processing requests for appeals, reviewing cost overruns, approving time extensions, improved projects, advances and reimbursements.
10. Making recommendations to FEMA on appeals and alternate project requests.
11. Securing insurance information from applicants when required.
12. Participation with FEMA in establishing hazard mitigation and insurance requirements.
13. Monitoring subgrants by conducting quarterly reviews, site inspections and audits as required, ensuring program compliance.
14. Reviewing and certifying project completion information.
15. Determining budget and staffing requirements necessary for proper program management.

B. Organization and Staffing

1. Staffing Estimates and Funding - Insert COMPREHENSIVE STAFFING PLAN TO IDENTIFY ALL PA STAFFING FUNCTIONS, SOURCES OF STAFF TO FILL THESE FUNCTIONS, AND MANAGEMENT AND OVERSIGHT RESPONSIBILITIES OF EACH. STAFF PLAN SHOULD IDENTIFY THE NUMBER OF POSITIONS NEEDED BY EACH FUNCTION FOR VARIOUS SIZE DISASTERS. INSERT PROCEDURES FOR DETERMINING STAFFING AND BUDGETING REQUIREMENTS NECESSARY FOR PROGRAM MANAGEMENT. PROVIDE An ESTIMATED BUDGET WITH PROJECTED EXPENDITURES UNDER STATE MANAGEMENT ADMINSTRATIVE COSTS AND STATUTORY ADMINISTRATIVE costs. [Note: This complies with 44 CFR 206.207 (b)(ii), Identification of staffing functions in the Public Assistance program, the sources of staff to fill these functions and the management and oversight responsibilities of each, and

44 CFR 206,207 (b)(iii)(J), Procedures for determining staffing and budgeting requirements for proper program management. The State may submit a claim for reimbursement for costs incurred for administrative purposes in accordance with the management and administrative cost provisions of 44 CFR 206.228.]

2. Management and Program Staff - The State is responsible for administering all funds provided under the Public Assistance Program, as well as coordinating the program among FEMA, the State, and applicants. The Governor will appoint a:

- (a) Governor's Authorized Representative (GAR)
- (b) State Coordinating Officer (SCO)

3. Administrative Support Staff - Since staffing requirements vary depending on the magnitude, type and extent of the disaster, the

following personnel may be used to assist the GAR/SCO in meeting program and grant administrative requirements.

(a) State Public Assistance Officer (SPA0) - The person responsible for administering the Public Assistance Program at the State level. The SPA0 will normally be a member of the State Emergency Management staff.

(b) Applicant Liaisons, Project Officers, Program Specialists, Accounting Specialist, Technical Specialists, Resource Coordinators, and other State Administrative Support Personnel as required, including Computer Specialist, Administrative Technician, and Clerk/Typist -- qualified personnel from applicable State agencies who may assist the State Emergency Management staff.

V. DIRECTION, CONTROL AND ADMINISTRATION

A. Post Declaration Activities

1. Notifying Potential Applicants - INSERT STATE PROCEDURES FOR NOTIFYING POTENTIAL APPLICANTS ABOUT THE PA PROGRAM. [Note: This complies with 44 CFR 206.207 (b)(ii), Procedures to notify potential applicants of the availability of the program.]

2. Applicants' Briefing - Once a designated area has been approved for Public Assistance, members of the State Emergency Management staff will conduct an Applicants' Briefing. The number of potential applicants and the area involved in the disaster will determine the number of briefings held. Attachment 1 to this plan outlines the information that will be covered during this briefing. [Note: This complies with 44 CFR 206.207 (b)(iii)(A), Procedures for conduction briefings for potential applicants and application procedures, program eligibility guidance and program deadlines.]

3. A Kickoff Meeting is scheduled following the Applicants' Briefing to provide the applicant with specific information required to meet particular requirements of Public Assistance Program.

4. Applicant Eligibility - INSERT State PROCEDURES for assisting FEMA in screening all potential applicants for eligibility. [Note: This complies with 44 CFR 206.207 (b)(iii)(C), Procedures for assisting FEMA in determining applicant eligibility.] Per 44 CFR 206.222, eligible applicants under the PA Program are:

(a) State Agencies, local governments, and Federally recognized Indian Tribes, authorized tribal organizations and Alaskan Native village organizations, which are owned by private individuals).

(b) Private Non-Profit organizations which have an IRS tax exemption letter or a State Private Non-Profit certification (i.e. Articles/Certificate of Incorporation). Special utility districts must provide a copy of the legislation that grants the district taxing authority. Eligible Private Non-Profit organizations must own or operate educational, utility, emergency, medical, custodial care, or essential governmental service facilities. Essential governmental service facilities are defined as museums, zoos, community centers, libraries, homeless shelters, senior citizen centers, rehabilitation facilities, shelter workshops, and other facilities which provide a health and safety service of a governmental nature.

All such facilities must be open to the general public.

B. Public Assistance Grant Application Package

1. Grant Approval - The State will submit an "Application for Federal Assistance" (SF 424), and "Assurances for Construction" Programs (SF 424D), to FEMA in order to receive Federal funding. Approved Project Worksheets will be the basis for issuing subgrants to eligible applicants in accordance with the cost sharing provisions established in the FEMA-State agreement.

2. Project Application - Once Project Worksheets are approved by FEMA, the State will be responsible for the final processing and distribution of the project application and for initiating payments in accordance with section D.2 below. The State will notify the applicant when its project application is prepared and ready for signature. Attachment 2 (Applicant Checklist) to this plan outlines the minimum information that will be covered with the applicant when signing its project application. A project application submitted by the State to FEMA should consist of the following documents:

- (a) State cover letter
- (b) State/Subgrantee Project Application Agreement
- (c) Certification Regarding Restrictions on Lobbying (Attachment 3)
- (d) Applicant Checklist
- (e) Obligation Report
- (f) Project Application Summary
- (g) Project Worksheets
- (h) Project Completion and Certification Report

C. Project Worksheet Preparation

1. Depending on the size and nature of the disaster, the State may choose to participate at various levels in the Public Assistance process. Insert State PROCEDURES for development and review of project worksheets. Project Worksheet preparation process should document procedures, such as the review, approval, etc., AND THE STAFF WHO WILL PERFORM EACH FUNCTION. The varied levels of State involvement may include:

- (a) Assigning State Project Officer(s) and/or Specialist(s) to the DFO/JFO Resource Pool.
- (b) Assisting FEMA and/or the applicant in developing scopes of work and cost estimates.
- (c) Notifying FEMA of any special considerations and/or technical assistance requirements needed to facilitate project approval.
- (d) Providing State support as needed (such as engineers for highly technical projects or mediate to resolve disputes, etc.).
- (e) Assisting FEMA and the applicant in identifying hazard mitigation opportunities as provided by Section 406 of the Stafford Act. [Note: This complies with 44 CFR 206.207 (b) (iii) (E), Procedures for participating with FEMA in the establishment of hazard mitigation (and insurance) requirements.]
- (f) Submitting applications and making recommendations to FEMA on project approval.
- (g) Participating in the small project validation process.
- (h) Requesting re-inspections or time extensions for additional significant damage not previously identified within 60 days of an initial subgrantee inspection. [Note: this complies with 44 CFR 206.202 (d)(1)(ii).]

2. The Applicant/Subgrantee will:
 - (a) Identify large projects
 - (b) Prepare, or assist in preparing, Project Worksheets (PWs) for small projects.,
 - (c) Address pertinent environmental and historic preservation requirements, insurance coverage, floodplain management issues and hazard mitigation opportunities.
 - (d) Report any damage that is not previously identified to the State or PAC within 60 days of the initial inspection. If warranted, the State may request an extension of time in order to report additional damage.

D. Project Funding and Requirements

1. Insert State procedures to ensure that applicants are aware of the requirements imposed upon them by Federal and State statutes, such as allowable costs, cash management, reporting, etc. [Note: this complies with 44 CFR 13.22 and 13.37.]
2. INSERT State PROCEDURES for processing requests for advances of funds, reimbursement, refunds, and recoupments. Procedures should also describe how the State will process the form in Attachment 4, request for advance or reimbursement (sF-270) and specify that the State will not advance funds unless the subgrantee certifies that they have spent, or will spend within 30 days, the funds on eligible expenditures, etc. [Note: This complies with 44 CFR 206. 206.207 (b) (iii)(J), Procedures for processing requests for advances of funds and reimbursements, and 44 CFR 13.24, Describing the process for requesting advances and reimbursements.]
3. Small Projects - Funding for small projects will be based on the federal share of the Project Worksheet estimate. The State will disburse funds to the applicant after FEMA approves the Project Worksheets and makes funding available.
4. Large Projects - Funding for large projects will equal the federal share of the actual eligible cost as verified through a review of the project's cost documents. FEMA will obligate funding to the State following FEMA's approval of the Project Worksheet.
5. Advance of Funds - An applicant may request an advance of funds on an approved large Project Worksheet by completing the "Advance of Funds Request" form (Attachment 4). The applicant must have a basis for the requested funds, such as anticipated contractor bills, or force account payrolls to meet. The total advance for any one Project Worksheet will not exceed 75% of the Federal share. An advance request will be processed for payment once it has been approved by the State. The applicant will be required to refund, through the State to FEMA, any part of an advance that is not supported by cost documents and/or expended for the approved scope of the Project Worksheet within 30 days of receiving the deobligation notice from the State. [Note: This complies with 44 CFR 206.207 (b) (iii) (J), Procedures for processing requests for advances of funds and reimbursements, and 44 CFR 13.21, Payment.]

6. Immediate Needs Funding (INF) - This is a partial advance on emergency work items identified during the Preliminary Damage Assessment (PDA). When a PDA is conducted, only those eligible applicants who were surveyed are eligible to receive INF. If a PDA has not taken place, the State may identify eligible applicants to receive INF funding. The State may request funding for these applicants on their behalf. INF is designed to assist the applicant in dealing with its urgent needs that will require payment within the first 60 days after the declaration. It is not intended for those items that involve Special Considerations or items of work that will require longer than 60 days to complete. These items will be funded in the normal manner as individual projects. INF is calculated using the following formula:

Emergency work amount x 50% x 75% (appropriate federal cost share) =
INF

7. Reviewing Insurance Requirements - The State shall participate with FEMA the review of applicant insurance coverage. INSERT STATE PROCEDURES FOR reviewing APPLICANTS' INSURANCE POLICIES. Procedures should state who will do the work (e.g., state employee, FEMA, etc.). Procedures should detail steps, and documents necessary to review insurance. [Note: This complies with 44 CFR 206.207 (b)(iii)(E), Procedures for participating with FEMA in the establishment of (Hazard mitigation) and insurance requirements.]

44 CFR, Part 206, Subpart I, establishes insurance requirements which apply to disaster assistance provided by FEMA. Prior to approval of a FEMA grant for the repair, restoration or replacement of an insurable facility or its contents damaged by a major disaster:

(a) Eligible costs shall be reduced by the amount of any insurance recovery actually received or anticipated, relating to eligible costs. FEMA will base its determination of eligible costs on whether the insurance settlement is reasonable and proper.

(b) The full coverage available under the standard flood insurance policy from the National Flood Insurance Program (NFIP) will be subtracted from otherwise eligible costs for an insurable facility and its contents located within the special flood hazard area.

(c) If eligible damages are greater than \$5,000, an applicant must obtain and maintain insurance to cover the assisted facility for the hazard that caused the major disaster in the amount of the eligible damage to the facility.

(d) Assistance will not be provided under Section 406 of the Stafford Act for any facility for which assistance was provided as a result of a previous major disaster unless all insurance required by FEMA as a condition of previous assistance has been obtained and maintained. Not even the deductible amount, or damages in excess of the NFIP limits, or for flood damaged items not covered by standard NFIP policy will be eligible.

8. Recoupment of Federal Funds - If an approved Project Worksheet is totally or partially deobligated, the applicant will be notified as soon as possible. Reimbursement by the applicant to the State will be requested once a supplemental Project Worksheet (deobligating the approved funding) is processed.

E. Project Performance

1. INSERT State PROCEDURES for processing IMPROVED AND ALTERNATE PROJECTS, appeal requests and decisions, time extensions, and cost overruns during the performance of the grant. Documentation should detail steps such as how requests for extensions will be logged, how many days it should take to answer the requestor in writing, examples of circumstances that do and do not justify approval of requests, systems to track progress on large projects so State will be aware of approaching due dates, etc. [Note: This complies with 44 CFR 206.207 (b)(iii)(F), Procedures for processing appeal requests and decisions, requests for time extensions, requests for approval of overrun.]

2. Improved projects - Any improved project that results in a significant change from the pre-disaster design (such as different location, footprint, function, or size) is an improved project. An improved project request must be coordinated with FEMA prior to starting the improved portion of the proposed work to insure compliance with national historical and environmental laws. This request should contain:

- (a) The reason for requesting an improved project
- (b) A description of the proposed work
- (c) A schedule of work
- (d) A cost estimate
- (e) Information adequate to establish compliance with special requirements, including, but not limited to, floodplain management, environmental assessment, hazard mitigation, protection of wetlands, endangered species, and insurance

F. Alternate projects - If an applicant determines that the public welfare would not be best served by restoring a public damaged facility, or the function of that facility, the State can submit a request to FEMA for an alternate project. Requests for alternate projects shall be submitted to FEMA prior to starting the proposed work. Alternate projects are eligible for 75 percent of the approved Federal Share of the estimate eligible costs. If the request is approved by FEMA, funding of an alternate project will be reduced to 75 percent of the Federal share of the approved Project Worksheet estimate associated with repairing the original damaged facility to its pre-disaster design, or the actual costs of completing the alternate project, whichever is less. The State will review the request for eligibility and will ensure that the request contains the following information before forwarding it to FEMA with the appropriate recommendation:

- (a) The reason for requesting an alternate project
- (b) A description of the proposed work
- (c) A schedule of work
- (d) A cost estimate
- (e) Necessary assurances to document compliance with special requirements, including, but not limited to, floodplain management, environmental assessment, historic preservation, hazard mitigation, protection of wetlands, endangered species and insurance.

[Note: This complies with 44 CFR 206.203 (d)(2)(v).]

2. Time Limitations - The State will ensure that approved work is completed within the following time frames from the date a major disaster or emergency is declared:

- (a) Emergency Work = 6 months
- (b) Permanent Work = 18 months

3. Time Extensions - An applicant may request a time extension on any approved Project Worksheet by submitting a written request to the State. Such a request should be submitted in writing prior to the completion date currently in effect. The State may grant a time extension if the reason for delay is based on extenuating circumstances or unusual project requirements beyond the applicant's control so long as the additional time requested does not exceed the following time frames:

- (a) Emergency Work = 6 months
- (b) Permanent Work = 30 months
- (c) The State will notify FEMA of all time extensions that have been approved. Requests for time extensions beyond the State's authority will be forwarded to FEMA in writing for determination with the State's recommendation. [Note: This complies with the requirements of 44 CFR, 206.204 (d).] Work performed after the last approved completion deadline is subject to having funding reduced or withdrawn.

4. Cost Overruns

- (a) Small Projects: The State will verify all significant cost overrun appeals submitted by the applicant (on small projects) by conducting a review of all approved small Project Worksheets within the applicant's project application. The State will base its recommendation for additional funding on the information obtained during the review and will forward a report to FEMA for final determination. The cost share is determined from final actual eligible project costs (whether an overrun or an under run) and will be adjusted at the time actual eligible costs for all small projects are determined for the requestor (normally the subgrantee, but sometimes the grantee).
- (b) Large Projects: Per 44 CFR 206.204 (2)(2), the Subgrantee must evaluate each cost overrun and, when justified, submit a request for additional funding through the State to the RD for a final determination. All requests for the RD's approval will contain sufficient documentation to support the eligibility of all claimed work and costs. The State shall include a written recommendation when forwarding the request. The RD will notify the State in writing of the final determination.

5. Project Completion

- (a) Upon completion of a large project, the applicant will be required to submit a project cost summary to the State that lists all labor, equipment, materials and contract costs associated with making needed repairs. The State will conduct a review of the project's documentation to verify the actual project cost. If a large project was 100 percent complete at the time the Project Worksheet was prepared, the eligible cost was based on actual cost information and the applicant is not claiming additional funding, the State will then determine if the project is of closeout quality. If the project qualifies for closeout, the State will note this in the PW, and no further review by the State will be necessary.
- (b) Upon completion of all approved work, the applicant will be required to submit the Project Completion and Certification Report to the State certifying that all work has been completed in accordance with funding approvals and that all claims have been paid in full.

(c) If an approved project is not completed, the applicant will be required to return the federal funding that was provided for that project in accordance with paragraph V. D. 2.

6. Grantee

(a) Upon completion of both small and large projects, the State will send a written "Certification of Project Completion" to the FEMA Regional Director.

(b) Small project certifications require that:

(i) All projects were completed in accordance with FEMA approvals and,

(ii) The State and/or applicants contribution to the non-Federal share, as specified in the FEMA-State Agreement, has been executed.

(iii) Note: The small project certification is not required to specify the amount spent on projects, by sub-grantees.

(c) Large project certifications require that:

Reported costs were incurred in the performance of eligible work;

(i) The approved project was completed;

(ii) Completed work was in compliance with the provisions of the FEMA-State Agreement and;

(iii) Payments for the project were made in accordance with 44 CFR 13.21.

(iv) An accounting of actual eligible costs for each large project is required at project completion. An accounting of eligible cost means the total amount of actual eligible cost. If actual cost exceeds the approved project grant, additional information supporting and explaining the additional claimed costs is required. See cost overruns above.

7. Disputes/Conflict Resolution - In order to expedite funding and minimize applicant appeals, the following conflict resolution process should be followed:

(a) If an Applicant Liaison has been assigned, the applicant should notify this individual of the unresolved issue.

(b) The Applicant Liaison should work to resolve the issue with the PAC. If the issue remains unresolved, the Applicant Liaison should notify the SPAO.

(c) The State PAO should work to resolve the issue with the PAO.

(d) Only after all these steps have been taken will the applicant be referred to the appeal process.

8. Final Inspection - INSERT STATE POLICY AND PROCEDURES FOR CONDUCTING FINAL INSPECTIONS.

9. Appeals - Upon receipt of an appeal from the applicant, the State will review the material submitted, make such additional investigations as necessary, and will forward the appeal with a written recommendation to FEMA within 60 days. The applicant will submit an appeal within the following timeframes:

(a) Any FEMA determination - 60 days from the date of written notice of the determination being appealed.

(b) Any State determination on Time Extensions - 60 days from the date of written notice of the determination being appealed.

(c) Cost overrun - 60 days from the date the last project was completed (small projects only).

(d) Second/Final Appeal - 60 days from the date of written notice of the determination made on the first appeal.

G. Records and Reports

1. INSERT State procedures describing how it will manage the day to day operations of grant and subgrant supported activities including monitoring through progress and financial reports, closeout, and record retention. [Note: This complies with 44 CFR, 206.204 (f), 13.20 (b)(6), 13.40, 13.41, 13.42 and 13.50]

2. Progress Reports - The State will submit a quarterly progress report to FEMA, which will contain the status of all large projects which have not received final payment. Attachment 5 will be used during these quarterly reviews. The first quarterly report will be submitted three months from the date the JFO opened or on a quarterly schedule mutually agreed upon between FEMA and the State. INSERT STATE REQUIREMENTS FOR QUARTERLY REPORTING BY SUBGRANTEES. [Note: This is in compliance with 44 CFR 206.204 (f) and 44 CFR 13.40]

3. Financial Status Report (SF 269/SF 269A or FEMA 20-10) - The State shall submit the financial reports to the FEMA regional office 30 days after the end of the first federal quarter following the initial grant award. The State will submit Financial Reports to FEMA at least quarterly. Thereafter, reports are due January 30, April 30, July 30 and October 30. Financial Status Reports must permit the tracing of funds to a level of expenditures adequate to establish that such funds have not been used in violation of the restrictions and prohibitions of applicable statutes. The reports shall include a breakout of expenditures considered to be statutory administrative costs and/or state management administrative costs under 44CFR, 206.228. [Note: This is in compliance with 44 CFR 13.41.]

4. Closeout - The State will close each applicant once its small and large projects are closed out. Small projects will be closed out in accordance with 44 CFR 206.205 (a) after the State has determined that all work has been completed, all necessary documents have been received, and any appeal for small project overruns has been reconciled. Large projects will be closed out individually in accordance with 44 CFR 206.205 (b), after the State has determined that all work has been completed, all necessary documents have been received, the costs for each individual large project have been reconciled, all project payments have been made, and no further action is pending or anticipated (including litigation or lawsuits). The State will notify FEMA when all eligible funds have been paid to an applicant and request Applicant closeout. When all applicants have been closed-out and all eligible Grantee funding has been reconciled (including statutory administrative costs and/or state management administrative costs) the State will request that FEMA close out the Public Assistance Program for the disaster. [Note: See State procedures for financial compliance with 44 CFR 13.50-52.]

(a) The closeout of a grant does not affect:

- (i) The federal agency's right to disallow costs and recover funds on the basis of a later audit or other review;
- (ii) The grantee's obligation to return any funds due as a result of later refunds, corrections, or other transactions;
- (iii) Records retention as required by 44 CFR, 13.26;

- (iv) Property management requirements in 44 CFR 13.31 and 13.32;
- (v) Audit requirements in 44 CFR, 13.26 (d), and OMB Circular A-133.

5. Record Retention - The State and applicant will be required to keep complete records of all work (i.e. receipts, checks, job orders, contracts, equipment usage documentation and payroll information) funded under the Public Assistance Program for a minimum of three years. [Note: If State and local laws require a longer retention period, enter it here.] For States the start date is determined by the date of the final Financial Status Report to FEMA. For applicants the start date is determined by the date of the final Financial Status Report to the State or the date of the certification of completion of their final project. During this three-year period, all approved Project Worksheets are subject to Federal and State reviews or audits. [Note: This is in compliance with 44 CFR 13.20 (b)(6) and 13.42]

H. Audits

1. State audit requirements will be in accordance with 44 CFR 13.26 and OMB Circular A-133 and any State audit requirements. INSERT STATE PROCEDURES for complying with OMB CIRCULAR A-133 AND STATE AUDIT REQUIREMENTS. PLEASE ADDRESS THE FOLLOWING:

- (a) Point of CONTACT for conducting single audits
- (b) Notification OF the point of contact for OMB A-133 audits for Public Assistance grants. The procedures or process should indicate what information is shared and how often notifications are sent to the State auditors (monthly, quarterly, or annually).
- (c) Informing Applicants OF the requirements of OMB Circular A-133. [Note: This complies with 44 CFR 13.26.]
- (d) Monitoring Audit sub grantee Compliance. Procedures should indicate roles and responsibilities on audit follow up between the State designated point of contact for A-133 AUDITS and the State PA program. For example, procedures should include who is responsible for issuance of a State Management Decision on audits of PA program sub grantees.
- (e) Monitoring Subgrantee Corrective Action including who and how the State will resolve subgrantee audit findings and monitor applicant corrective actions within six months after receipt of the audit report.

2. Other Audits - Department of Homeland Security Office of Inspector General (OIG) may audit, at their option, the State PA grant and sub-grants. INSERT STATE PROCEDURES FOR ASSURING resolution of OIG audit findings OF sub-grantees in a timely manner, usually within six months from the date of issuance of the Report. The procedures or process may be the same or similar for resolving A-133 Audits.

I. Financial Management

1. INSERT OR REFERENCE STATE PROCEDURES for ensuring that the State and applicants have adequate standards in place to meet the following basic requirements:

- (a) 44 CFR 13.20, Standards for Financial Management Systems - Procedures will include:
 - (i) How the State financial system allows for the tracing of funds to a level of expenditure.

(ii) The internal control involved to maintain effective controls and accountability for all grants and subgrant cast, real and personal property and other assets.

(b) 44 CFR 13.21, Payment - Procedures will include:

(i) Procedures for minimizing the time elapsing between the transfer of funds from FEMA and disbursement to applicants

(ii) How interest earned on advances will be handled and remitted to FEMA if over \$100

(c) 44 CFR 13.36, Procurement - Procedures will document the Federal, State and local standards that will be followed when procuring goods and services.

VI. PLAN DEVELOPMENT AND MAINTENANCE

A. The State will submit a plan annually and amendments for each disaster for which Public Assistance is included. Revisions will be forwarded to the Regional Director of the Federal Emergency Management Agency for approval. [Note: This complies with 44 CFR 206.207 (3), The State Administrative Plan will be annually submitted to and approved by FEMA.]

B. The State will amend this plan whenever necessary to reflect current policy guidelines and any new or revised Federal statutes or regulations or a material change in any State law, organization, policy, or State agency operation that is relevant to the State's administration of the PA program. The State will obtain FEMA approval of the amended plan and its effective date. [Note: This complies with 44 CFR 13.11, State Plans.]

VII. Attachments

Attachment 1 - Applicant's Briefing Information

Attachment 2 - Applicant Checklist

Attachment 3 - Certification Regarding Restrictions on Lobbying

Attachment 4 - SF270 Request for Advance/Reimbursement

Attachment 5 - Quarterly Progress Reporting Requirements

INSERT OTHER ATTACHMENTS AS NEEDED