



FEMA

**Hazard Mitigation Assistance Grant Program Information Bulletin
August 11, 2023**

MEMORANDUM FOR: Hazard Mitigation Grant Program Recipients and Subrecipients

FROM: Gerilee W. Bennett
Acting Director
Hazard Mitigation Assistance Division
Mitigation Directorate

SUBJECT: **Removal of requirement in FEMA Policy #104-11-1, Hazard Mitigation Grant Program Management Costs (Interim), fiscal responsibility for management cost awards over \$6 million**

I. Purpose

This Hazard Mitigation Assistance (HMA) Information Bulletin updates the provision in [FEMA Policy #104-11-1, Hazard Mitigation Grant Program Management Costs \(Interim\)](#), requiring additional controls for management cost awards over \$6 million (including both recipient and subrecipient cost shares). Specifically, this Information Bulletin removes the requirement for an agreement to be developed between FEMA and the recipient for management cost awards over \$6 million (including both recipient and subrecipient cost shares).

II. Applicability

This Information Bulletin applies to all major disasters declared on or after August 1, 2017, and before March 23, 2023,¹ for the Hazard Mitigation Grant Program (HMGP).

III. Background

On October 5, 2018, the President signed the Disaster Recovery Reform Act (DRRA) of 2018 into law. [Section 1215](#) of the DRRA amended Section 324 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (Stafford Act) (42 U.S.C. § 5165b). In accordance with Section 324(a) of the Stafford Act, management costs include any indirect cost, any direct administrative, and any other administrative expense associated with a specific project under a major disaster, emergency, or disaster preparedness or mitigation activity or measure. As a result of the amendment to Section 324, FEMA's regulations in 44 Code of Federal Regulations (CFR) Part 207, Management Costs, are no longer current.

¹ Effective March 23, 2023, the HMA Program and Policy Guide removed the requirement for an agreement to be developed between FEMA and the recipient for management cost awards over \$6 million (including both recipient and subrecipient cost shares). This Information Bulletin makes the change retroactive for all major disasters declared on or after August 1, 2017.

FEMA Policy #104-11-1, Hazard Mitigation Grant Program Management Costs (Interim), Section D.8.a, set forth a requirement for management cost awards over \$6 million (including both recipient and subrecipient cost shares). This provision required FEMA to develop an agreement with the recipient to outline the release of funding. The agreement defined recipient responsibilities and the process for reviewing funding on an incremental basis.

IV. Action

FEMA is removing the requirement for an agreement to be developed with the recipient for management cost awards over \$6 million (including both recipient and subrecipient cost shares). All other requirements set forth in FEMA Policy #104-11-1, including compliance with the Uniform Administrative Requirements for federal awards in [2 CFR 200](#), must continue to be met to promote fiscal responsibility and better grants management of large-scale disasters and ensure funds are spent in accordance with federal regulations by incrementally funding activities.

V. Questions

Any questions regarding this Information Bulletin may be directed to the Hazard Mitigation Assistance Policy, Tools, and Training Branch at the following email address: fema-hma-grants-policy@fema.dhs.gov.

For additional information on HMA programs, visit <https://www.fema.gov/grants/mitigation>.