

Validate as You Go (VAYGo)

Validate as You Go (VAYGo) is FEMA's Public Assistance (PA) grants payment internal control review process to ensure compliance with statutory improper payment review and reporting requirements.¹ VAYGo applies to all PA and Fire Management Assistance Grants (FMAG) incidents declared on or after Oct. 1, 2019.

This document provides an overview of the VAYGo process. Additional detail is provided in the VAYGo Guide.² Individuals with responsibilities for managing or conducting VAYGo-related tasks should refer to the Guide for specific Instruction.

VAYGo Process Overview

VAYGo testing is a collaborative process between FEMA, the recipient, and the subrecipient to validate a sample population of subaward drawdowns. The Department of Homeland Security (DHS) selects the drawdowns for VAYGo testing. DHS may select a subaward for testing even after it has been closed.

Recipients are responsible for providing the necessary documentation to demonstrate that funding associated with a tested drawdown was properly disbursed. Recipients that achieve and maintain low error rates for two consecutive testing cycles (two years) are eligible for the VAYGO Closeout Benefit (VCB). An overview of the VAYGo testing cycle is presented below.

Sampling

Prior to the start of the VAYGo testing cycle, FEMA's Office of the Chief Financial Officer staff (VAYGo HQ) collaborate with DHS Risk Management and Assurance (RM&A) to establish the sample population for the testing cycle. The testing cycle begins when VAYGo HQ uploads the sample to the Grants Manager (GM) VAYGo Module and submits it to the FEMA Regional VAYGo POC. The FEMA Regional VAYGo POC then submits the sample to recipients via Grants Portal (GP).

Entrance Call

At the start of a testing cycle, VAYGo HQ conducts entrance calls with VAYGo Regional POCs and recipients to better understand recipient and subrecipient financial/payment systems, processes, and available proof of payment documentation.

¹ <https://www.whitehouse.gov/wp-content/uploads/2021/03/M-21-19.pdf>. The OMB Circular A-123, Appendix C implements the requirements from the Payment Integrity Information Act of 2019 (PIIA).

² <https://www.fema.gov/assistance/public/tools-resources/vaygo>. The Validate As You Go Guide is available on FEMA.gov and to Public Assistance Applicants and Recipients in the Grants Portal Support Center Job Aids.



Documentation

Once the entrance call is complete, recipients upload documentation to GP. Documentation should support claimed expenses and include any transmittal information supporting the drawdown and payment to the subrecipient. Representative documents may be reviewed and accepted when FEMA validates that a recipient/subrecipient financial system provides a complete audit trail that reflects detailed and verifiable cost calculations.

Additionally, documentation specific to ensuring any conditions which may have been placed on the project should be provided. Documentation may include any other sources of funding that may duplicate FEMA PA funding; final actual insurance proceeds; insurance documents demonstrating obtain and maintain requirements; Environmental and Historic Preservation (EHP) compliance; and codes and standards requirements.

In accordance with the Public Assistance Simplified Procedures Policy,³ recipients will not be required to submit detailed documentation for small projects and will only be required to provide proof of payment, demonstrating that funds were paid/transferred to the subrecipient.

Details on specific documentation requirements for recipient drawdowns and financial disbursements to subrecipients are provided in the VAYGo Guide.

Testing

VAYGo HQ reviews documentation submitted through GM/GP for completeness and performs transactional testing to ensure compliance. VAYGo HQ and/or Regional VAYGo POC will issue a Request for Information (RFI) if supporting documentation was not submitted or appears to not be within a project's approved SOW. RFI responses or submission of written requests for extension are required within 30-calendar days. VAYGo HQ will review and approve extension requests on a case-by-case basis.

VAYGo HQ provides status reports throughout the testing cycle. VAYGo Regional POCs have access to the VAYGo testing cycle dashboard and are responsible for communicating the VAYGo testing details with their respective recipients. To enhance communication and collaboration efforts, VAYGo HQ conducts weekly status calls with VAYGo Regional POCs and recipients to resolve proof of payment issues or inability to provide documentation. These calls provide opportunities to discuss and possibly eliminate the need for pending RFIs and provide clarification on outstanding RFIs.

Once documentation has been received, VAYGo HQ confirms documentation is complete and costs are accurate and compliant with Federal laws, regulations, and FEMA policies. Costs that are not supported by adequate documentation or appear unreasonable and do not reflect the actions a prudent person would take in the circumstances, are identified as questioned costs.

³ https://www.fema.gov/sites/default/files/documents/fema_pa-simplified-procedures-policy.pdf. FEMA Policy FP-104-23-001 - Public Assistance Simplified Procedures.

Testing Cycle End

Transactions with no questioned costs at the end of the testing cycle pass the VAYGo review. If transactions have questioned costs due to either completeness and/or compliance failure, VAYGo HQ prepares and sends an Outstanding Questioned Costs Report to the Regional VAYGo POC to initiate a remediation phase.

Remediation Phase

During the remediation phase, the Regional VAYGo POC reviews the Outstanding Questioned Costs Report and submits a plan of action to VAYGo HQ. VAYGo HQ, VAYGo Regional POC, and the recipient have up to 60 days to conduct informal discussions before sending a confirmation letter of an agreed-upon resolution method. If actions are not taken within 30 days from the date of the confirmation letter, a Notice of Potential Debt Letter will be issued.

Up to an additional 60-day extension may be approved in writing by the VAYGo HQ program head, Regional Administrator (RA), or designee to implement the agreed upon resolution method.

Reporting

DHS Risk Management & Assurance (RM&A) requires FEMA to report outstanding overpayments monthly. These overpayments are the un-remediated questioned costs from the individual VAYGo test samples. DHS RM&A also requires current remediation status for each VAYGo sample that has questioned costs. VAYGo HQ coordinates with VAYGo Regional POCs to ensure current statuses are reported accurately and will continue until all outstanding questioned costs are remediated.

VAYGo Closeout Benefit (VCB)

VAYGo reduces the amount of documentation FEMA requires at closeout for eligible recipients who achieve and maintain a consistent low error rate at or below the statutory threshold of 1.5 percent⁴ questioned costs for two consecutive annual testing cycles, through the VCB.

Recipients qualifying for the VCB will only be required to submit a certification that a financial reconciliation has been performed and that costs align with the project's approved Scope of Work for any projects submitted for closeout during the eligible period.

Recipients who have qualified for the VCB will be identified by VAYGo HQ. VAYGo HQ notifies PA HQ who will then notify the Regional VAYGo POC. Regional PA Closeout teams will notify recipients and inform them of the documentation and information that must be included with the closeout package for each project.

⁴ <https://www.whitehouse.gov/wp-content/uploads/2021/03/M-21-19.pdf>. OMB Circular A-123 Appendix C (Memorandum M-21-19, Requirements for Payment Integrity Improvement) and PIAA 2019.

If an eligible recipient is not able to maintain the 1.5 percent or less error rate, they will lose the opportunity to participate in the VCB process. A recipient may regain eligibility for the VCB by passing a VAYGo review for one cycle (rather than the two cycles required for initial eligibility).

Definitions

Subaward

An award provided by a pass-through entity to a Subrecipient for the Subrecipient to carry out part of a federal award received by the pass-through entity.

Disbursement

A transfer of funds from a recipient to a subrecipient not to exceed an obligated subaward for expenditures.

Drawdown

A transfer of funding from FEMA to a recipient based on an obligated amount/subaward.

Recipient

The state, territorial, or tribal entity that receives the prime award directly from FEMA to carry out activities under FEMA's assistance programs. For PA, the recipient is the pass-through entity for subrecipients.

Subrecipient

The entity that receives a subaward from a pass-through entity. Depending on the program, subrecipients of hazard mitigation assistance subawards can be a state agency, local government, private nonprofit organization, or Indian Tribal government.

For more information, please reach out to your FEMA Regional PA Point of Contact.

If you suspect corruption, waste, fraud, abuse, mismanagement or misconduct contact the [Department of Homeland Security Office of Inspector General](#) hotline (1-800-323-8603 or TTY: 1-844-889-4357) or [submit a concern online](#).