

SUMMARY OF GRANT CONDITIONS FOR ALL APPLICANTS

Below are a few items and key points to remember when administering FEMA/State grants that may assist the applicant with the paperwork requirements for this disaster.

1. Applicants must submit all cost estimates to the Division of Homeland Security & Emergency Management (DHS&EM) within 90 days of the first substantive meeting with FEMA and the State (Kickoff Meeting.) Any additional damages or requests for additional Project Worksheets must also be submitted within 60 days of the Kickoff Meeting.
2. Work must be completed by the project completion deadlines. Should additional time be required to complete the approved work, a time extension request must be submitted prior to the existing completion date which a.) Identifies the PW requiring an extension; b.) Explains the reason for needing an extension; c.) Indicates the percentage of work that has been completed; and d.) Provides an anticipated completion date. The reason for needing an extension must be based on extenuating circumstances or unusual project requirements that are beyond the control of your jurisdiction/organization. **Failure to submit a time extension request may result in a loss of funding for the entire project.**
3. If you wish to make changes to a project that results in a significant change from the pre-disaster configuration (that is, different location, footprint, function, or size) a written request must be submitted to DHS&EM and approved before the work is performed. DHS&EM will notify the applicant if the changes are approved. Any subsequent changes you wish to make to the Scope of Work to a written, obligated Project Worksheet (PW) also require written approval. **Failure to obtain pre-approval may result in a loss of funds for the entire project.**
4. Once a PW is complete, there are several documents required before the applicant will receive funding. The State requires the applicant/subgrantee to submit all back-up documentation (timesheets, pay stubs, invoices, etc.) to substantiate all costs associated with the Project Worksheet. Please review the additional information within this packet for a complete list of other documentation the State requires.
5. If you expect to have a cost overrun, a written request must be submitted to DHS&EM before expenditures are made, identifying why there will be an overrun, along with an itemized list of expenses. DHS&EM will notify you in writing if these expenses are eligible items.
6. If you wish to appeal a decision made by the State or FEMA, you must submit a written appeal to DHS&EM within 60 days from the date of written notice of the determination being appealed.
7. Project Worksheets will not receive funding until all regulatory and statutory requirements have been met.

8. You may request up to a 30 percent advance of funds by completing the “Request for Funds” form (DHS&EM Form 30-3). The advance should be used within 30 days of receipt. The applicant must submit copies of invoices, timecards, and other documentation to demonstrate expenditures of the 30 percent before any additional funds will be advanced. Funds that are not used within 30 days of receipt need to be returned to the state. Additionally, any interest accrued on funds kept over 30 days needs to be returned to the state.

9. The Administrative Allowance for applicants covers direct costs incurred in requesting, obtaining, and administering public assistance grants. No other administrative or indirect costs incurred by an applicant are eligible.

Examples of typical activities the Administrative Allowance is intended to cover include:

- **Identifying damage.**
- **Attending the Applicants’ Briefing.**
- **Completing forms necessary to request assistance.**
- **Establishing files, and providing copies and documentation.**
- **Assessing damage, collecting cost data, and developing cost estimates.**
- **Working with the State during projects monitoring, final inspection and audits.**

The allowance is intended to cover direct costs of managing specific projects that are completed using public assistance funds. These costs are eligible as part of the grant for each project, as long as they can be specifically identified, tracked and justified as necessary to do the work.

10. Applicants are required to submit Project Quarterly Reports (DHS&EM Form 30-60) on each project that remains open to include total Administrative Funds expended. See the Quarterly Report Form due dates.

11. The applicant will cause work on the project to commence within a reasonable time after receiving notification from the Division of Homeland Security & Emergency Management that funds have been approved and will ensure that work on the project proceeds to completion with reasonable diligence and in compliance with 44 CFR §206.204. The applicant will furnish quarterly progress reports for all Large and Small Projects and any other reports as required by DHS&EM.

A. The applicant must complete all work associated with the Project Worksheet. If the work is not completed, the applicant will be required to return all State and federal funding.

B. Failure to submit required reports and documentation will result in de-obligation of the Project Worksheet, and the applicant will be required to return all State and federal funding.

C. The applicant agrees to undertake and complete any mitigation measures required as a condition of the grant. Failure to do so may result in a loss of funding for the entire project.

D. The applicant has 90 days from the date the PW is 100% complete to submit all back-up documentation (timesheets, pay stubs, invoices, etc.) to substantiate the eligible costs associated with the Project Worksheet(s). If the applicant does not provide the required documentation within the 90 day time limit, the State may de-obligate all remaining funds and close the Project Worksheet.

12. Grant recipients are required to maintain all financial and programmatic records, supporting documents, statistical records, and other records for three years after submission of the last expenditure report. During this time, all approved Project Worksheets are subject to State audit/review.

13. Applicant is responsible for complying with all local, State, and federal permitting and insurance requirements.

14. Applicant is responsible for complying with the performance and payment bond provisions as of AS 36.25.010.

15. Contracts must be of a reasonable cost, generally be competitively bid, and must comply with Federal, State, and local procurement standards. Detailed requirements for eligible procurement methods and contract types can be found in 44 CFR Part 13 – *Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments*. The applicant agrees to review and follow procurement and contract requirements necessary for compliance with the Public Assistance program. Further, the applicant understands that failure to comply with these requirements may result of loss of funding for the entire project.

Key Points to Remember When Administering FEMA Grants

1. Designate a person to coordinate the accumulation of records.
2. Establish a separate and distinct account for recording revenue and expenditures, and a separate subsidy account for each distinct project awarded funds by FEMA.
3. Ensure that the final claim made for each project is supported by amounts recorded in the accounting system.
4. Ensure that each expenditure is recorded in the accounting books and references supporting source documentation (checks, invoices, etc.) that can be readily retrieved.
5. Research insurance coverage and seek reimbursement for the maximum amount. Credit the appropriate FEMA project with that amount.
6. Check with your Federal Grant Program Coordinator about the availability of funding under other Federal programs (i.e., Federal Highway, Housing and Urban Development, etc.) and ensure that the final project claim does not include costs that were funded or should be funded by another Federal agency.
7. Ensure that inventory withdrawal and usage records document materials taken from existing inventories for use under FEMA projects.
8. Do not charge the regular salary of permanent employees or seasonal employees (whose salaries are contained in annual appropriations) to FEMA debris removal and emergency service projects.
9. Do not claim costs for items or activities for which you did not have a cash outlay.
10. Ensure that claims for overtime fringe benefits are based on cost items (i.e., F.I.C.A., worker's compensation, etc.) that accrue as a result of overtime. Items such as health benefits and leave are not eligible as overtime fringe benefits.
11. Ensure that expenditures claimed under the FEMA project are reasonable and necessary, are authorized under the scope of work, and directly benefit the project.
12. Ensure that you document pertinent actions for contracts let under FEMA projects, including the rationale for the method of procurement, the basis for contractor selection, and the basis for the contract price. Remember that Federal regulations prohibit "cost plus a percentage of cost" contracts.