

Public Assistance Division

SOP9570.14

Public Assistance Program Management and Grant Closeout Standard Operating Procedure

December 2013



FEMA

Federal Emergency Management Agency
Department of Homeland Security
500 C Street, SW
Washington, DC 20472



Table of Contents

ACRONYMS	iv
1.0 PUBLIC ASSISTANCE MISSION STATEMENT	1
2.0 SCOPE	1
3.0 BACKGROUND	2
4.0 DEFINITIONS	3
5.0 PUBLIC ASSISTANCE PROGRAM MANAGEMENT OBJECTIVES AND MILESTONES	5
6.0 ROLES AND RESPONSIBILITIES	8
6.1 Subgrantee Responsibilities	8
6.2 Grantee Responsibilities	9
6.3 FEMA Responsibilities	10
6.3.1 Public Assistance Staff	10
6.3.2 Grants Management Staff	12
7.0 ANNUAL STATE ADMINISTRATIVE PLAN	12
8.0 QUARTERLY MEETINGS WITH GRANTEE	12
9.0 PROGRESS REPORTING	13
9.1 Grantee Quarterly Progress Reports	13
9.2 FEMA Progress Reports	13
9.2.1 National Emergency Management Information System (NEMIS)/Emergency Management Mission Integrated Environment (EMMIE)	14
9.2.2 Enterprise Data Warehouse Reporting (InfoView)	14
9.2.3 Project Management Status Report	14
9.2.4 Disaster Closeout Report	14
9.2.5 Disaster Finance Status Report	14
9.2.6 Large Project Quarterly Progress Report Analysis Tool	14
10.0 PUBLIC ASSISTANCE PROGRAM MANAGEMENT PROCESS	16
10.1 Small Projects	16
10.1.1 Small Project Appeals	16
10.2 Large Projects	17
10.2.1 Regulations Governing Large Projects	17
10.2.2 Interim Inspections	18
10.2.3 Changes in Scope of Work	18
10.2.4 Final Reconciliation Preparation	18
10.2.5 Final Reconciliation Completion	18



PA Program Management and Grant Closeout Standard Operating Procedure

10.2.6	Final Reconciliation Reports	21
10.2.7	Final Reconciliation Reports – Automated Disaster Assistance Management System Requirements (ADAMS).....	21
10.2.8	Final Reconciliation Reports – NEMIS/EMMIE Requirements.....	22
10.2.9	Final Reconciliations Not Involving Overruns or Underruns	23
10.3	Special Considerations.....	23
10.3.1	Environmental/Historic Preservation	23
10.3.2	Insurance.....	23
10.3.3	Mitigation.....	23
10.4	Time Extensions	24
10.5	Audits	24
10.6	Appeals.....	25
10.6.1	First Appeals.....	25
10.6.2	Second Appeals.....	25
11.0	MANAGEMENT AND ADMINISTRATIVE COSTS	26
11.1	Disaster Declared Before November 13, 2007	26
11.2	Disaster Declared On or After November 13, 2007.....	26
11.2.1	Indirect Costs	27
11.2.2	Direct Costs	27
12.0	ALLOCATIONS	28
13.0	TRANSITION FROM JOINT FIELD OFFICE OR PROCESSING CENTER TO REGION	28
14.0	PERFORMANCE MEASURES	29
15.0	SUBGRANTEE CLOSEOUT.....	30
16.0	PUBLIC ASSISTANCE GRANT CLOSEOUT	31
16.1	Grantee Requirements	31
16.2	FEMA Requirements	31
17.0	CLOSED PUBLIC ASSISTANCE FILES ARCHIVES.....	32



Appendices

Appendix A	Post Awards Grants Management: Procedures and Internal Controls for Use by Public Assistance, Grants Division and OCFO, dated April 4, 2012
Appendix B	PA Large Project Quarterly Progress Report Analysis Tool
Appendix C	PA Grants Quarterly Progress Report
Appendix D	State Administrative Plan Checklist
Appendix E	State Administrative Plan Approval Letter
Appendix F	Monthly Disaster Closeout Report
Appendix G	Sample Enterprise Data Warehouse/Info View Reports
Appendix H	Sample Project Management Status Report
Appendix I	Disaster Closeout Report
Appendix J	Final Reconciliation Report Template
Appendix K	Summary of Expenditures
Appendix L	Final Inspection Report Acknowledgement Letter (No Overruns or Underruns)
Appendix M	Closure Letters
Appendix N	Closeout: Best Practices



Acronyms

ADAMS	Automated Disaster Assistance Management System
CFR	Code of Federal Regulations
DFSR	Disaster Finance Status Report
DHS	Department of Homeland Security
DSR	Damage Survey Report
EDW	Enterprise Data Warehouse
EMMIE	Emergency Management Mission Integrated Environment
FCO	Federal Coordinating Officer
FEMA	Federal Emergency Management Agency
FFC	FEMA Finance Center
FIR	Final Inspection Report
FIPS	Federal Information Processing Standard
FRC	Federal Records Center
FRR	Final Reconciliation Report
FY	Fiscal Year
GAR	Governor's Authorized Representative
GMD	Grants Management Division
IFMIS	Integrated Financial Management Information System
JFO	Joint Field Office
LTRO	Long Term Recovery Office
MSD	Mission Support Division
NEMIS	National Emergency Management Information System
NSPO	Net Small Project Overrun
OIG	Office of Inspector General
OMB	Office of Management and Budget
PA	Public Assistance
PNP	Private Nonprofit
PW	Project Worksheet
RA	Regional Administrator
REO	Regional Environmental Officer
RPA	Request for Public Assistance
SAP	State Administrative Plan
SF	Standard Form



1.0 Public Assistance Mission Statement

The mission of the Public Assistance (PA) Program is to assist communities in recovering from the devastating effects of disasters by providing technical assistance and financial grants in an efficient, effective, consistent, and customer-friendly manner. The Federal Emergency Management Agency (FEMA) will accomplish the mission by having experienced, trained, knowledgeable, and friendly staff; well-documented, easy-to-understand, and accessible policies and procedures; timely and transparent decision-making; and a strong partnership with the States. FEMA will continuously seek and identify opportunities to improve program delivery.

2.0 Scope

FEMA, a component of the Department of Homeland Security (DHS), coordinates Federal assistance in the wake of disasters. Under the PA Program, FEMA awards grants to help States, local governments, Indian Tribes, and certain Private Nonprofit (PNP) organizations recover from disasters as quickly as possible. Specifically, the program provides assistance for debris removal, emergency protective measures, and permanent restoration of infrastructure.

The PA process consists of two distinct phases: 1) the Grant Development phase; and 2) the Program Management and Grant Closeout phase. Each phase has distinct objectives that represent progress toward the desired goal:

To provide effective assistance and excellent customer service necessary to assist Subgrantees¹ in recovering from a declared event while ensuring responsible stewardship of public funds.

This document outlines the roles and responsibilities, objectives, requirements, and performance measures associated with the Program Management and Grant Closeout phase of the PA process. Its purpose is to define and standardize the activities associated with this phase to promote consistency in delivering and monitoring the PA Program and a common understanding of the expectations and requirements for the assistance provided. Unique or special circumstances may require deviations from the process described in this document.

¹ The Subgrantee (also referred to as an applicant) is a State agency or local government, American or Native Indian Tribe, or eligible PNP organization to which PA funds are awarded.



3.0 Background

The Grant Development phase of the PA Program involves collecting and approving Requests for Public Assistance (RPAs), educating stakeholders, determining program or project eligibility, and developing scopes of work and cost estimates for eligible projects. This phase is substantially complete while the Joint Field Office (JFO), PA Processing Center, or Virtual JFO is open. FEMA may close the JFO when PA Program staff obligates 90 to 95 percent of eligible projects or completes 100 percent of field work. When the JFO closes, FEMA transfers grant administration responsibilities to staff at a processing center or FEMA Regional office until 95 to 100 percent of the eligible projects have been obligated (see *PA Operations Manual*). The timeframe for this phase varies by disaster events, but typically lasts two to six months for small and medium disaster events and one year or longer for large disaster events.

The Program Management and Grant Closeout phase begins for small applicants and their projects as the Grant Development phase starts to end. It involves monitoring work completion, reconciling final costs, closing out projects, and closing out the disaster grant. This phase may last between three and five years for small and medium disaster events and six years or longer for large disaster events.

Each phase of the PA process involves unique objectives and tasks that require significant staff resources and an expert level of program knowledge to successfully meet the stated goal. The PA process must adhere to all relevant Federal, State, and local laws, regulations, and policies, while providing eligible PA funding in a timely and effective manner. Both phases are time-sensitive and critical to disaster recovery. In addition, Grantees and Subgrantees expect and should receive exemplary customer service from FEMA during both phases of the PA process.



PA Program Management and Grant Closeout Standard Operating Procedure

4.0 Definitions

FEMA Finance Center (FFC, formerly known as Disaster Finance Center)

A component of the Office of Chief Financial Officer that is responsible for financially closing out reconciled PA grants.

Grant Closeout and Liquidation Period (CLP):

Liquidation--A grantee must liquidate all obligations incurred under the award not later than 90 days after the end of the funding period (or specified in the program regulation) to coincide with the submission of the Final Financial Status Report (SF-425). The Federal agency may extend this deadline at the request of the grantee (44 CFR 13.23(b)).

Closeout—The federal agency will close out the award when it determines that all applicable administrative actions and all required work of the grant has been completed (44 CFR 13.50(a)). Within 90 days after the expiration or termination of the grant, the grantee must submit all financial, performance, and other reports required as a condition of the grant. Upon request by the grantee, Federal agencies may extend this timeframe(44 CFR 13.50(b)).

Grant Program Closeout

The status of a program for which FEMA has determined that the Grantee and Subgrantees have completed all required grant work and FEMA has completed all applicable administrative actions related to the PA Program. This status is reached after financial reconciliation has occurred, meaning that all systems have been reconciled with actual expenditures as detailed on the final Federal Financial Report (Standard Form [SF]-425). The FFC issues the official grant closeout date.

Grant Program Financial Reconciliation:

Grant Program Financial Reconciliation is performed 90 days after the period of performance and when the SF-425 for the program is received from the Grantee. During this process the Grants Management staff completes a financial reconciliation of all systems. If a difference is noted, any cost adjustments will be made (44 CFR 13.50). See Grant Closeout and Liquidation Period above.

Small Projects

A project for which the obligated (Federal and non-Federal) amount of a Project Worksheet (PW), including all versions, is less than the annually adjusted cost threshold for small project grants.

Large Projects

A project for which the obligated (Federal and non-Federal) amount of a PW, including all versions, is equal to or greater than the annually adjusted cost threshold for small project grants (the threshold is determined at the beginning of each FY).



FEMA

SOP9570.14

PA Program Management and Grant Closeout Standard Operating Procedure

Period of Performance

For the overall program this is the period of time (four years from date of disaster) during which the Grantee is expected to complete all physical work and obligate program funds. Although such a timeframe is established up front, this does not mean that the Grantee cannot close the grant early. If projects have been completed, then the program should be requesting grant closeout sooner.

Programmatically Closed

The PA Program is considered programmatically closed when FEMA assures that all of the grants awarded under the PA Program for a given disaster meet the statutory and regulatory requirements governing the program. To achieve programmatic closure, FEMA ensures that all funds have been obligated. This includes any compliance with environmental and historic preservation requirements and any insurance purchase requirements. In addition, FEMA must resolve any appeals before programmatic closure is complete. With programmatic closure, FEMA has a reasonably well defined understanding of the total amount of Federal funds that will be obligated for the disaster. (FEMA 322 PA Guide, pg. 114)

Project Worksheet (Sub-Grant Application)

A Project Worksheet is a tool used by the applicant and FEMA to develop projects. It is the basis for a subgrant and the Public Assistance Program funding. For the remaining disasters in the Automated Disaster Assistance Management System (ADAMS), the Damage Survey Report (DSR) is the document used to classify eligible scope(s) of work.

Project Value

In ADAMS, project value is the amount of the base DSR and all supplemental DSRs for a specific project. In the National Emergency Management Information System (NEMIS), it is the amount of Project Worksheets (PW) and all of its versions for a specific project. In the Emergency Management Mission Integrated Environment (EMMIE), it is the amount of a Subgrant Application and all of its amendments for a specific project.

Grantee

The Grantee is the State government, and in some instances, an Indian Tribal government, to which the grant is awarded. The grantee is accountable for the use of funds provided by FEMA and is responsible for disbursing those funds to the Subgrantee (applicant).



5.0 Public Assistance Program Management Objectives and Milestones

Goal: To provide effective assistance and excellent customer service necessary, as defined within the Public Assistance Operations Manual, to enable a Subgrantee's recovery from the effects of a declared event, while maintaining the required controls to ensure FEMA, the State, and the Subgrantee protect the interests of the public at large through the responsible management of public funds. Achieving this goal requires accomplishing the following objectives:

Objective: Complete the Grant Development phase through effective, efficient, and consistent program delivery.

Tasks

- Receive RPAs
- Conduct Kickoff Meetings
- Prepare PWs
- Enter PWs into EMMIE and NEMIS, obligating funds
- Complete Exit Briefings
- Complete 100 percent grant development
- Transition from Grant Development phase to Program Management and Closeout phase

Objective: Complete the Program Management and Grant Closeout phase by effectively monitoring Subgrantee's progress toward completing approved projects and by promptly addressing known issues.

Task: Effectively monitor progress and close out projects

Sub-tasks

0 to 6 Months:

- Hold quarterly meetings with Grantee to set performance measures and resolve issues
- Receive and analyze first two quarterly progress report and address issues if applicable
- Coordinate with Grantee to close out all Subgrantees with no PWs or zero funding

6-Month Milestone:

- Receive and analyze quarterly progress report and address issues
- Hold quarterly meeting with Grantee to set performance measures and resolve issues
- Identify Subgrantees with only emergency work for small projects without an approved Grantee time extension; coordinate with Grantee to obtain closeout requests
- Identify Subgrantees with only emergency work for large and small projects without an approved Grantee time extension; coordinate with Grantee on completing final reconciliations
- Close out projects, as appropriate
- Close out Subgrantees, as appropriate



6 to 12 Months:

- Receive and analyze quarterly progress reports and address issues
- Hold quarterly meetings with Grantee to set performance measures and resolve issues
- Coordinate with Grantee to obtain closeout requests from Subgrantees that have completed emergency work for small projects within the regulatory timeframe
- Coordinate with Grantee to complete final reconciliations of emergency work for large and small projects that the Subgrantee completed within the regulatory timeframe
- Grantee may extend deadlines for an additional six months for debris clearance and emergency work
- Requests for time extensions beyond the Grantee's authority will be submitted by the Grantee to the Regional Administrator
 - If the Regional Administrator approves the request, the letter to the Grantee will reflect the approved completion date and any additional requirements
 - If the Regional Administrator denies the time extension request, the Grantee may, upon completion of the project, be reimbursed for eligible project costs incurred only up to the latest approved completion date
- Close out projects, as appropriate
- Close out Subgrantees, as appropriate

12 to 18 Months:

- Receive and analyze quarterly progress reports and address issues
- Hold quarterly meetings with Grantee to set performance measures and resolve issues
- Review or complete final reconciliations as requested by Grantee
- Monitor quarterly progress reports to identify large projects that Subgrantees have completed and coordinate final reconciliations with Grantee
- Close out projects, as appropriate
- Close out Subgrantees, as appropriate

18-Month Milestone:

- Receive and analyze quarterly progress report and address issues
- Hold quarterly meeting with Grantee to set performance measures and resolve issues
- Identify Subgrantees with only emergency work and permanent work for small projects that do not have a time extension and coordinate with Grantee on completion; request Subgrantee closeout process from Grantee
- Identify Subgrantees with only emergency work and permanent work for large projects without an approved FEMA time extension and coordinate with Grantee on completing Final Reconciliation Report (FRR)
- Close out projects, as appropriate
- Close out Subgrantees, as appropriate

18 to 48 Months:

- Receive and analyze quarterly progress reports and address issues



- Hold quarterly meetings with Grantee to set performance measures and resolve issues
- Coordinate with Grantee to complete final reconciliations for all projects that are 100 percent complete
- Monitor and track permanent work projects with Grantee-approved time extensions
 - Monitor time extensions and work progress using quarterly progress reports
 - Complete FRR as project completion dates are reached
- Close out projects, as appropriate
- Close out Subgrantees, as appropriate

More than 48 Months:

- Receive and analyze quarterly progress reports and address issues
- Hold quarterly meetings with Grantee to set performance measures and resolve issues
- Review requests to extend the Period of Performance as identified in the Application for Federal Assistance (SF-424), as appropriate
- Monitor and track projects with FEMA-approved time extensions
 - Monitor time extensions and work progress
 - Complete FRR as project completion dates are reached
- Close out projects, as appropriate
- Close out Subgrantees, as appropriate

Task: Close Out Public Assistance Grants

Subtasks:

- Ensure there are no unresolved issues, such as appeals, litigation, or audits
- Ensure all projects are closed
- Reconcile financial data in NEMIS, EMMIE, or ADAMS and Integrated Financial Management Information System (IFMIS), making adjustments as necessary
- Obtain final program Financial Status Report (SF-425) and letter requesting closeout from Grantee for PA portion of the grant. Prepare closeout package
- Forward completed closeout package to Regional Grants Management staff
- Upon FFC closeout, enter closeout date in EMMIE and/or the NEMIS Operational Strategy screen
- Archive all remaining disaster files and records
- Update all NEMIS, EMMIE, or ADAMS disaster reports to reflect closeout

Task: Close Out Disaster Grants (Grants Management Branch Staff)

Subtasks:

- Ensure all program grants are closed
- Reconcile financial data
- Obtain final SF-425 from Grantee
- Prepare closeout package
- Forward completed closeout package to the FFC



6.0 Roles and Responsibilities

The Program Management and Closeout phase involves both program management and grant management activities, requiring FEMA and the State to work together to accomplish mutual goals and objectives. This coordination requires a clear understanding of the roles and responsibilities of each of the entities involved, as outlined in the Post Awards Grants Management: Procedures and Internal Controls for use by Public Assistance, Grants Division and OCFO, dated April 4, 2012 (See appendix A).

6.1 Subgrantee Responsibilities

After FEMA and the Subgrantee, assisted by the Grantee as appropriate, develop a scope of work and FEMA obligates funds for eligible projects, the Subgrantee is responsible for completing the approved scope of work and ensuring that it expends funds in accordance with Federal, State, and local laws, regulations, and policies. The Subgrantee's responsibilities are to:

- Comply with Federal, State, and local laws, regulations, and policies
- Obtain all required permits and comply with environmental requirements
- Purchase and maintain insurance necessary to fulfill project requirements
- Complete projects in accordance with the approved scope of work and within the regulatory timeframes
- Report progress on large projects to the Grantee
- Request progress payments for large projects
- Submit request for any Improved Projects to the Grantee prior to starting work on an approved project
- Submit request for any Alternate Projects to the Grantee prior to starting work
- Request time extensions, as appropriate
- Promptly notify the Grantee of the need for a change in grant conditions
- Document final costs
- Request grant closeout from Grantee for small and large projects.
- Request Grantee to make final reconciliation of project costs
- Dispose of equipment and supplies purchased to complete eligible work in accordance with Title 44 of the Code of Federal Regulations (CFR) Part 13, *Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments*
- Reimburse Grantee for any overpayments received
- Submit appeals to Grantee, as appropriate
- Participate in all Federal audits of grant funds, as required
- Complete audits required by the Office of Management and Budget (OMB) Circular A-133, *Audits of States, Local Governments, and Non-profit Organizations*, as appropriate
- Retain all records for a minimum of three years after the Grantee and FEMA closeout the Subgrantee as required by 44 C.F.R. § 13.42.



6.2 Grantee Responsibilities

The Grantee, is responsible for all grant management activities. The Grantee PA staff's responsibilities are to:

- Ensure Subgrantees are aware of all eligibility requirements
- Follow Federal, State, and local requirements for grant management
- Prepare and submit the annual SAP
- Identify in its SAP the timeframe for subgrantees to submit requests for each large project for financial accounting by the Grantee in accordance with 44 CFR§ 206.205 (b).
- Submit the PA quarterly progress reports to FEMA (see Appendices B and C), identifying Subgrantees with changes in grant conditions
- Submit FEMA SF 425, Financial Status Report
- Notify Subgrantees of all grant-related actions in a timely fashion
- Monitor the completion of projects to ensure Subgrantees:
 - Complete work in accordance with grant conditions
 - Adhere to the approved scope of work
 - Adhere to environmental requirements
 - Account for and return any duplicated benefits that they received
 - Complete work within regulatory timeframes
 - Document changes in grant conditions and report them to FEMA
 - Comply with PA Program insurance requirements
- Conduct site visits of large projects, as appropriate
- Receive, evaluate, and process requests for time extensions from Subgrantees in a timely manner
- Evaluate Improved Project requests from Subgrantees and respond appropriately, including forwarding them to FEMA for approval. Grantees must approve Improved Projects unless an EHP Review is required. Grantees simply provide a notice to FEMA of its approval
- Submit all Alternate Project requests to FEMA for approval prior to the start of construction under 44 C.F.R. § 206.203 (d)(2)(v)
- Ensure payment requests from Subgrantees apply to funds expended on the eligible scope of work and comply with grant conditions
- Ensure Subgrantees document requests for supplemental funds and submit the requests to FEMA for review
- Make payments to Subgrantees for eligible work in a timely fashion
- Receive Subgrantee closeout requests and ensure Subgrantees complete all small project scopes of work
- Reconcile actual costs for large projects and provide summary documentation to FEMA in a timely manner
- Conduct or request final reconciliations on large projects, as appropriate
- Process Subgrantee requests for small project appeals (NSPOs)



PA Program Management and Grant Closeout Standard Operating Procedure

- Review Subgrantee appeals and send them to FEMA with sufficient justification to support the Grantee's recommendation
- Ensure Subgrantees adhere to the audit requirements of OMB Circular A-133
- Respond to OMB Circular A-133 audit findings
- Issue management decisions on Subgrantee OMB Circular A-133 PA-related audit findings (OMB Circular A-133 §405 (c))

6.3 FEMA Responsibilities

6.3.1 Public Assistance Staff

The PA Program Managers or closeout specialists in a Recovery Office or Regional Closeout Center monitor the progress of PA-funded recovery efforts and ensure that work is completed within the regulatory timeframes and meets the requirements of the Stafford Act, Federal regulations, and all related policies and publications. The responsibilities of the PA Program Manager in the Program Management and Grant Closeout phase are to:

- Review SAPs and prepare responses
- Conduct quarterly progress meetings with Grantees
- Evaluate Grantees' quarterly progress reports and address non-compliance issues
- Monitor Subgrantees' adherence to regulatory deadlines to gauge progress and identify performance measures for the next quarter
- Review and submit the PA Large Project Quarterly Progress Report Analysis
- Prepare responses to Congressional and other inquiries in External Affairs
- Prepare status reports for FEMA Management
- Make PA eligibility determinations
- Facilitate the resolution of any issues with Grantees and Subgrantees
- Provide technical assistance to Grantees and Subgrantees, as requested
- Complete or coordinate NEMIS/EMMIE PW reviews
- Coordinate with FEMA Headquarters to notify Congress of PA grants of \$1 million or greater
- Coordinate environmental reviews for Improved Projects, Alternate Projects, and any other projects with the Grantee, Subgrantees, and FEMA's Office of Environmental and Historic Preservation, and other Federal agencies
- Request allocations for PA grants
- Process obligations of PA grants
- Monitor unliquidated obligations for each grant
- Evaluate requests for supplemental funds or PW versions for compliance with the original scope of work
- Evaluate time extension requests beyond the Grantee's authority and prepare response letters
- Evaluate Alternate Project requests from Grantees and prepare response letters
- Evaluate closeout progress and complete performance measures
- Evaluate FRRs from Grantees and respond appropriately



- Evaluate Grantees' requests for Subgrantee closeout
- Evaluate and research Subgrantee appeals and prepare response letters, which will include thorough explanations of the decisions
- Coordinate with Office of Chief Counsel at the JFO, if deployed, or the appropriate Regional Counsel, regarding legal issues raised in eligibility determinations, appeals or other matters.
- Complete actions resulting from appeal or audit determinations
- Review OIG audits of Subgrantees and prepare appropriate responses
- Issue management decisions on State OMB Circular A-133 PA-related audit findings (OMB Circular A-133 §405 (b))

Depending on the number of Subgrantees handled by a Region, PA Program staff, PA Program Managers, or the FEMA Grants Management staff's Mission Support Division (MSD) and Grants Management Division (GMD) may fulfill the following responsibilities:

- Track annual SAP submittal
- Conduct quarterly meetings with the Grantee
- Ensure Grantees submit SF 425
- Ensure Grantees submit the PA Large Project Quarterly Progress Report Analysis
- Track submittal of quarterly progress reports
- If separate positions, act as the liaison between the Grants Management staff (MSD and GMD) and PA Program staff
- Complete monthly Disaster Finance Status Reports (DFSRs)
- Monitor and request travel funds
- Revise the PA Summary by Disaster (S.5) Obligations and Projection Reports
- Manage financial account information for disasters and resolve deficiencies
- Process requests for allocation of funds for ADAMS disasters, if applicable
- Monitor allocation of funds for NEMIS/EMMIE disasters
- Compile and review the Department of Health and Human Services SMARTLINK information
- Reconcile SMARTLINK information with NEMIS, EMMIE, or ADAMS and IFMIS
- Work with the Grantee to resolve any financial discrepancies
- Coordinate Grantee submission of funds to FEMA's Central Depository, also known as the "FEMA Lockbox"
- Disseminate unobligated funds, as appropriate
- Conduct a final reconciliation for the disaster or emergency a disaster when Grantee requests closeout
- Prepare PA grant closeout packages
- Track disaster closeout projections
- Report multi-disaster status information
- Provide monthly spend plan projections for designated disasters



6.3.2 Grants Management Staff

The Grants Management staff manages the disaster grant, which consists of funds obligated from the PA Program, other programs, and Mission Assignments. The Grants Management staff's responsibilities are to:

- Monitor the submittal of SF 425
- Monitor grant conditions as outlined in the SF-424:
 - Period of performance
 - Cost estimates
- Monitor Grantee compliance with cash management requirements
- Review the Large Project Quarterly Progress Report
- Forward PA Program disaster closeout packages to the FEMA Finance Center
- Prepare disaster grant closeout packages
- Track disaster grant closeout projections

7.0 Annual Grantee Administrative Plan

In accordance with the requirements of 44 CFR §206.207, **Administrative and audit requirements**, each State must submit an SAP to the RA each year for review and approval. For each disaster that occurs within the year, the State must also prepare and submit any disaster-specific amendments to the approved SAP. The PA Program Manager reviews the annual submission of the SAP for compliance with 44 CFR §206.207 (see Appendix D for a checklist used to evaluate SAPs). Based on the results of this review, the RA and/or the RA's designee issues an approval letter (see Appendix E for a sample SAP approval letter) stating that all grant requirements are sufficiently addressed, or a letter detailing the deficiencies and providing a timeframe for resubmittal. PA Program staff in the JFO review disaster-specific amendments to the SAP and the Federal Coordinating Officer (FCO) sends the approval or deficiency letter.

8.0 Quarterly Meetings with Grantee

Effective communication and coordination between Grantee, Grants Management staff and FEMA PA Program staff are essential to the success of the Program Monitoring and Closeout phase of the PA process. PA Program staff should hold quarterly coordination meetings with each Grantee to discuss the status of open disaster declarations, evaluate the workload, resolve existing or potential issues, determine appropriate performance measures, and complete a plan of action for the quarter.

This meeting should be conducted in person, but can be conducted over the phone if necessary due to competing priorities or other operational requirements. Quarterly meetings are most effective when held within the first month of the quarter. PA Program staff should document the results of the meeting in the Project Management Status Report or other reporting mechanisms.



9.0 Progress Reporting

9.1 Grantee Quarterly Progress Reports

Quarterly progress reports, submitted by the Grantee to FEMA, are essential to the success of the Program Management and Grant Closeout phase. To comply with the requirements of 44 CFR §206.204, **Project performance**, and in accordance with 44 CFR 13.40, **Monitoring and reporting program performance**, Grantees must submit quarterly progress reports no later than 30 days after the end of each quarter. The following table shows the deadlines for submitting quarterly progress reports.

Quarter (Fiscal Year)	Progress Report Due
October 1–December 31	January 30
January 1–March 31	April 30
April 1–June 30	July 30
July 1–September 30	October 30

Grantees should notify PA Program staff of expected submission delays and propose a timeframe for submittal.

For each open project, the quarterly progress report should outline problems or circumstances expected to cause deviation from approved grant conditions, results of onsite technical inspections, and percentage of work completed to date. To ensure the most effective use of the information necessary for reporting see Appendix C.

Grantee should report cost overruns or changes needed in the approved project scope of work to FEMA as soon as the Grantee becomes aware of them. This information should also be included in the narrative comment field of the quarterly progress report. FEMA reviews these comments and coordinates interim inspections, if appropriate, to ensure compliance with 44 CFR §13.30, **Changes**.

The Grantee may submit quarterly progress reports (See Appendix C) electronically to the RA or designee. PA Program staff track the submittal of progress reports and coordinate issues of non-compliance with the Grantee. PA Program staff use information in the progress reports to develop closeout goals and objectives and related performance measures, and to update processing systems (e.g., NEMIS/EMMIE) with the most accurate information.

9.2 FEMA Progress Reports

Closing out disasters and maintaining adequate staffing levels remain high priorities for FEMA. Reporting mechanisms are critical to communicating PA Program progress and achievements. Some tools for reporting progress are described below.



9.2.1 National Emergency Management Information System/Emergency Management Mission Integrated Environment

NEMIS/EMMIE contains standardized reports that indicate closeout progress (see Appendix F for samples of these reports):

- Disaster Closeout Summary Report
- Large Project Report
- N2 with Subgrantee Status

Each of these reports provides useful data; however, to effectively monitor progress and the successful achievement of performance measures, other reporting mechanisms are required to address issues, appeals, audits, and performance measures.

9.2.2 Enterprise Data Warehouse Reporting (InfoView)

InfoView is an easy to use and readily available reporting tool in FEMA's Enterprise Data Warehouse (EDW) system. PA Program staff can access InfoView at <http://on.fema.net/Pages/homepage.aspx>. Because InfoView allows users to access most fields in NEMIS/EMMIE and to combine and group fields, it can be a very powerful reporting tool. PA Program staff can use standardized reports already contained in Corporate Documents, found in the Public Folders section, or create ad hoc reports using the Create Report feature. Corporate Documents contains several reports that provide information on quarterly progress and disaster status (see Appendix G for sample EDW/InfoView reports). More information on InfoView is available at <http://on.fema.net/Pages/homepage.aspx>. Users can log on as Guests, an option that is found on the EDW home page (<http://on.fema.net/Pages/homepage.aspx>) under Logon to Business Intelligence. The EDW home page also contains tutorials for new users in the Training section.

9.2.3 Project Management Status Report

The Project Management Status Report combines the quantitative data contained in NEMIS/EMMIE, ADAMS, and SMARTLINK with qualitative data found in the Grantee's quarterly progress report (see Appendix H). This report focuses primarily on disasters greater than four years old with issues that prevent disaster closeout (see Appendix C for the PA Grants Quarterly Progress Report).

9.2.4 Disaster Closeout Report

Each year, Regional offices provide projected disaster closeout dates for each disaster. This information is monitored by the PA Program and Grants Management Division to measure the performance of the PA Program. It is captured in the Disaster Closeout Report (see Appendix I). PA Program staff must analyze information in NEMIS/EMMIE, the Grantee's quarterly progress report, and the Project Management Status Report, if appropriate, to develop the closeout report.

9.2.5 Disaster Finance Status Report

The FFC at FEMA Emergency Operations Center in Mount Weather, VA requires each Region to complete the DFSR monthly. FEMA uses the DFSR to report on the projected costs for each disaster. The report classifies disasters using three status codes: Open (P), Programmatically Closed (C), and Financially Reconciled (R). A disaster is considered Programmatically Closed when all Subgrantees have approved scopes of work for all eligible projects and there are no open appeals or audits. When a disaster is determined to be Programmatically Closed, FEMA assumes the obligations and de-obligations



PA Program Management and Grant Closeout Standard Operating Procedure

that may result from final reconciliations or small project appeals that do not have a net funding impact. A disaster is considered reconciled when it has been officially closed by the FFC.

To prepare the DFSR, PA Program staff generally use adjusted information from the S.5 report. The adjustments keep the 100 percent projection amounts equal to, or greater than, the 100 percent eligible amounts, as well as increase projection amounts for any known additional projects not yet entered into the DFSR.

PA Program staff should consider the following items when adjusting S.5 information to include in the DFSR:

- The Grantee and Subgrantee administrative costs in both the 75 percent and 100 percent eligible columns can be incorrect due to cost-share adjustments in some disasters and potential rounding errors in the reports. Therefore, PA Program staff should not use these values to project the Grantee and Subgrantee administrative costs.
- PA Program staff should base the amount of Grantee and Subgrantee administrative costs on the known obligated amounts and any Grantee and Subgrantee administrative costs for all new eligible but not obligated packages.
- Some declarations have a 100 percent cost share for a limited time for Categories A and B. PA Program staff should make upward adjustments so the DFSR automatic cost-share adjustment can occur and the DFSR reflects the correct 100 percent amount.
- For disasters declared on or after November 13, 2007, Section 324 management indirect costs are reimbursed at 100 percent Federal cost share; therefore, an upward adjustment must be made to the Category Z estimate.

PA Program staff can access the DFSR system through the Start menu by selecting All Programs, Accessories/Communication, and Remote Desktop Connection on staff computers. PA Program staff should use "MWL13T6" as the remote address. The FFC must grant permission to access this server. PA Program staff should contact their Information Technology Branch for assistance.

9.2.6 Large Project Quarterly Progress Report Analysis Tool

This tool introduces a newly developed format for the Large Project Quarterly Progress Report. The intent is to standardize the report format and to expand the data included in the report so that analysis will minimize the risk of grant funding loss resulting from non-compliance with program requirements. And by allowing for an earlier and more reliable project funding status, obligated but unexpended and unnecessary funds can be reallocated to other projects or program areas.



10.0 Public Assistance Program Management Process

Listed below are significant program management processes that support the desired goal for the Program Management and Closeout phase of the PA Program.

10.1 Small Projects

A small project is a project for which the obligated (Federal and non-Federal) amount of a PW, including all versions, is less than the annually adjusted cost threshold for small project grants (the threshold is determined at the beginning of each FY).

Requirements for small projects include:

- Per 44 CFR §206.205(a), **Payment of claims:**
Final Payment of the Federal share of these projects will be made to the Grantee upon approval of the Project Worksheet. The Grantee will make payment of the Federal share to the Subgrantee as soon as practicable after Federal approval of funding. Before the closeout of the disaster contract, the Grantee must certify that all such projects were completed in accordance with FEMA approvals and that the State contribution to the non-Federal share, as specified in the FEMA-State agreement, has been paid to each Subgrantee. Such certification is not required to specify the amount spent by a Subgrantee on small projects. The Federal payment for small projects shall not be reduced if all of the approved funds are not spent to complete a project. However, failure to complete a project may require that the Federal payment be refunded.
- The Grantee must provide a letter signed by the Governor's Authorized Representative (GAR) or designee or a Project Completion and Certification Report (P.4), certifying the completion of all small projects and the payment of the Federal and non-Federal share to the Subgrantee.
- The Subgrantee must complete the approved scope of work for all small projects to be eligible for FEMA funding. If the Subgrantee does not complete a small project, FEMA will de-obligate all funds for the project.
- If the Subgrantee completes the project at a cost greater than the approved estimate, FEMA does not obligate additional funds unless the Subgrantee makes a NSPO.
- FEMA corrects cost overruns and underruns on small projects due to an error on the PW or an approved change to the scope of work without performing a small project net on all PWs.
- The Grantee makes final payments.

10.1.1 Small Project Appeals

FEMA does not allow Subgrantees to appeal funding decisions on individual small projects. However, if the Subgrantee has a net cost overrun on the aggregate of all of its small projects, FEMA reviews the Subgrantee's requests for additional funding. FEMA calls this process the "Net Small Project Overrun" (NSPO) request. Requirements include:



- The Grantee submits a formal request for an NSPO to FEMA. Pursuant to 44 CFR §206.204, **Project performance**, the Subgrantee may submit an appeal to the Grantee no later than 60 days following the completion of the last small project. The appeal shall include assurance that the Subgrantee has complete documentation on file for each small project, and a summary of documentation by category for each PW, demonstrating a significant net overrun.
- The Grantee verifies that the Subgrantee completed the scope of work for each PW.
- When evaluating an NSPO, FEMA only considers the cost the Subgrantee expended to complete the eligible scope of work. FEMA evaluates and considers the actual costs disbursed to complete the scope of work. FEMA reimburses Subgrantees for net overruns for eligible work. If the Subgrantee experienced a net underrun for all small projects, FEMA does not de-obligate the underrun.
- If the Subgrantee has only one small project PW, then a version of that PW is formulated to address any eligible overrun and appeal.
- If the Subgrantee has multiple small project PWs, then any eligible overrun and appeal is addressed as a Category G PW on FEMA Form 90-91.
- In both cases, a comment should be added to the PW to identify the netting of small projects.

10.2 Large Projects

A large project is a project for which the obligated (Federal and non-Federal) amount of a PW, including all versions, is equal to or greater than the annually adjusted cost threshold for small project grants.

10.2.1 Regulations Governing Large Projects

- Per 44 CFR §206.203(c), **Federal grant assistance, Project funding, Large projects:**
When the approved estimate of eligible costs for an individual project is \$35,000 or greater, Federal funding shall equal the Federal Share of the actual eligible costs documented by a grantee. Such \$35,000 amount shall be adjusted annually to reflect changes in the Consumer Price Index for All Urban Consumers published by the Department of Labor.
- Per 44 CFR §206.205(b)(1), **Payment of claims, Large projects:**
The Grantee shall make an accounting to Regional Administrator of eligible costs for each approved large project. In submitting the accounting the Grantee shall certify that reported costs were incurred in the performance of eligible work, that the approved work was completed, that the project is in compliance with the provisions of the FEMA-State Agreement and that payments for that project have been made in accordance with 44 CFR §13.21, Payments. Each large project shall be submitted as soon as practicable after the Subgrantee has completed the approved work and requested payment.
- Per 44 CFR §206.205(b)(2), **Payment of claims, Large projects:**
The Regional Administrator shall review the accounting to determine the eligible amount of reimbursement for each large project and approve eligible costs. If a discrepancy between reported costs and approved funding exists, the Regional Administrator may conduct field reviews to gather additional information. If discrepancies in the claim cannot be resolved through a field review, a Federal audit may be conducted. If the Regional Administrator



PA Program Management and Grant Closeout Standard Operating Procedure

determines that eligible costs exceed the initial approval, he/she will obligate additional funds as necessary.

10.2.2 Interim Inspections

FEMA may perform interim inspections of projects when the Grantee informs FEMA that the Subgrantee has requested a significant change to the scope of work or a significant increase in the estimated cost of a project. When hidden damage is discovered during work repairs, the Subgrantee promptly notifies the Grantee and the Grantee promptly informs FEMA. FEMA will inspect or review the hidden damage to determine eligibility under the PA Program.

10.2.3 Changes in Scope of Work/Cost Overruns

Subgrantees shall request approval for changes to the approved scope of work from FEMA before they perform the work. FEMA prepares a version (amendment) of the PW to capture any approved changes to the scope of work or significant increases in estimated project costs. FEMA reconciles costs during each large project closeout. In these cases, FEMA prepares an interim version of the PW to document changes to the scope of work.

10.2.4 Final Reconciliation Preparation

The Grantee should reconcile costs and close within 90 days of the date the Subgrantee completes each large project in accordance with 44 CFR §206.205 (b).

Once the Grantee receives a request for final reconciliation from the Subgrantee, the Grantee and FEMA Regional PA Program staff determines who conducts the final cost reconciliation and prepares the FRR. If the Grantee wants PA Program staff to participate in the final reconciliation process, the Grantee should submit a written request to FEMA that includes the following information:

- Date, time, and location for meeting
- PW number
- Summary of actual costs

PA Program Management staff compiles a package for the final reconciliation. The following table lists the components of this package.

ADAMS	NEMIS/EMMIE
DSRs	PWs with versions, with backup
D.3	Case Management File
Relevant correspondence	Relevant correspondence
Specific policies related to project	Specific policies related to project

10.2.5 Final Reconciliation Completion

In accordance with 44 CFR §206.205, **Payment of claims**, FEMA or the Grantee verifies the accuracy of the actual costs the Subgrantee incurred to complete the approved scope of work. If the information is extensive, such as payroll records or trip tickets, **FEMA or the Grantee selects and reviews a 10 to 20 percent random sample of the documents.** If FEMA or the Grantee successfully validates the sample, it considers all of the records to be correct. However, if FEMA or the Grantee identifies errors, the Subgrantee must correct them before FEMA or the Grantee completes the reconciliation. If FEMA or the Grantee identifies systemic errors in the documentation, FEMA or the Grantee selects and validates a larger sample.



For each project, the Subgrantee must provide, at a minimum, the following information for review in a level of detail that is consistent with the information below and in Appendix J:

- Force account labor:
 - Labor costs and source documentation
 - Fringe benefits
 - Personnel policies
- Force account equipment and supplies:
 - Salvage value
 - Equipment rates
- Force account materials
 - Invoices and proof of payment
- Contracts:
 - Procurement procedures
 - Invoices and/or cancelled checks
 - Price analysis to determine reasonableness of cost
 - Scope of work
 - Type of contract
 - Copy of contract
- General items:
 - Issues identified in the comment field of the PW, such as:
 - Documentation requirements
 - Insurance requirements
 - Special considerations
 - Environmental concerns
 - Insurance issues
 - Compliance with historic preservation requirements

FEMA or the Grantee should consider the following during the final reconciliation:

- Cost overruns:
 - Grantees should report significant actual or anticipated overruns to FEMA immediately and prior to work completion
 - Ensure compliance with the scope of work
 - Review any additional work done to determine eligibility, using the Case Management File, specific policies, related correspondence, laws, regulations, and codes and specifications
 - Clearly identify in the FRR any costs claimed that are determined ineligible
 - If an item is determined to be ineligible, show the Subgrantee the written information used to make the determination and explain the determination in detail in the FRR



PA Program Management and Grant Closeout Standard Operating Procedure

- If an item not included in the original scope of work or estimate is determined to be eligible, the Subgrantee or grantee should provide a detailed rationale (if the additional work was required for code compliance, include a copy of the code in the FRR; if the additional cost is the result of a unit cost increase, explain the increase)
- Change in scope of work:
 - If FEMA or the Grantee identifies a change in the scope of work at final reconciliation, FEMA determines the eligibility of the work and reviews it for compliance with the National Environmental Policy Act and other relevant laws
 - Check whether the quarterly progress reports noted the change in the scope of work
- Cost underruns:
 - Discuss underruns with the Subgrantee to ensure the accuracy of costs
 - Verify completion of the scope of work and the accuracy of costs

FEMA or the Grantee will also consider the following additional items:

- Time extensions. Determine whether the Subgrantee requested, and the Grantee or FEMA approved, time extensions, as appropriate
- Mitigation. Mitigation projects must be cost-effective. Cost overruns on a mitigation project require additional analysis to determine cost effectiveness and eligibility.
- Improved Project. Verify that the Subgrantee spent the approved estimate of eligible costs on the approved Improved Project. Verify that, at a minimum, the Subgrantee restored the predisaster function of the damaged facility.
- Alternate Project. Verify that the Subgrantee used the approved PA funding on the approved Alternate Project. Verify that the Subgrantee completed the project in accordance with the proposed Alternate Project request.
- Insurance. Verify that FEMA deducted all insurance proceeds from the eligible costs and that the Grantee or Subgrantee purchased and maintained the **required** insurance. Seek guidance from the PA Program Manager if questions arise. If the requirement to obtain insurance is not met, FEMA will not provide assistance for damaged sustained in the current disaster. If the insurance is not maintained, the applicant cannot get Public Assistance funding for that facility in future disasters.
- Other sources of funding. Determine whether the Subgrantee received any other sources of funding for this project to identify any duplication of benefits. If the Subgrantee identifies duplications of benefits, seek guidance from the PA Program Manager.



10.2.6 Final Reconciliation Reports

As discussed above in 9.2.1, at a minimum, the FRR contains (see Appendix J for a template):

- FIR or Line Item Reconciliation Worksheet
- Summary of Expenditures (see Appendix K for a sample Summary of Expenditures):
 - Force account labor
 - Force account equipment
 - Materials and supplies
 - Contracts
- Related correspondence
- Bid documents, if applicable
- Contract(s), if applicable
- Identification of any costs claimed that are not eligible
- Change orders, if applicable
- Personnel pay policies, if applicable
- Applicable codes and standards
- Documentation of any required environmental compliance
- Results of any representative sampling of documentation completed to support claimed costs (e.g., invoices, time sheets, work orders, trip tickets, proof of payment)
- Mutual aid agreements, if applicable
- Photos, if applicable
- Other backup documentation, as needed

10.2.7 Final Reconciliation Reports – Automated Disaster Assistance Management System (ADAMS) Requirements

FEMA prepares a final reconciliation DSR to supplement the original, or master, DSR. The final reconciliation DSR must include all related DSRs and the original DSR. Check the D.3 report for accuracy. The instructions for completing the final reconciliation DSR are outlined in the tables below.

Part I		
Block No.	Block Description	Instructions
Block 10	Project Title	Final reconciliation
Block 5	Project No.	Cat A-155, Cat B-255, Cat C-355, Cat D-455, Cat E-555, Cat F-655, Cat G-755
Block 13	Scope of Work	Automatic download with the Project No. *55 Modify scope to reflect a de-obligation or obligation Expand on scope for specifics of the project



Part II		
Line Item	Cost Code	Description
1		Actual costs – labor
2		Actual costs – equipment
3		Actual costs – material
4		Actual costs – contract
5		Actual insurance proceeds, if applicable
6	9999	Less project funding (dollar amount)

Part III		
Block No.	Block Description	Instructions
Block 35	Comments	FIR completed (date) Project includes DSRs (list) <u>Note:</u> Place the same comment on all DSRs in the project

10.2.8 Final Reconciliation Reports – NEMIS/EMMIE Requirements

FEMA prepares a version, also referred to as an amendment, of the original PW to document the final cost reconciliation. The information on the original PW is included in the reconciliation version; however, FEMA amends the scope of work to include the following text:

*This version (obligates/de-obligates) funds based on a Final Reconciliation conducted on (date).
(Add information as needed.)*

PA Program staff determines how to reflect adjusted costs in the PW cost section. The following are PW cost line item examples:

- 9999 Total Actual Costs – 9083 Less Previously Obligated
- 9999 Less PWs 1-0, 1-2 – 9081 Total Recommended by GAR
- 9080 Adjustment to Final Project Cost – 9082 FEMA Adjustment

PA Program staff verifies that the final PW version identifies all related PWs. PA Program staff, on occasion, write separate PWs for a single project.

PA Program staff close the PW in NEMIS/EMMIE in accordance with the process outlined in Section 10 of this document.



10.2.9 Final Reconciliations Not Involving Overruns or Underruns

If the final costs claimed by the Subgrantee involve no overruns or underruns, PA Program staff should:

- Review the FRR for accuracy
- Enter the comments listed above on the PW, as appropriate
- Regions may prepare an acknowledgement letter or form for the FRR (see Appendix L for a sample acknowledgement letter), route it for signature, and prepare a PW version (not necessary)
- Close the PW in NEMIS/EMMIE or ADAMS
- Mail or e-mail the acknowledgement letter or form for the FRR and place a copy of the correspondence in the Subgrantee's file

Note: Zero-dollar PWs or DSRs are not required and should not be prepared to document FRRs with no overruns or underruns.

10.3 Special Considerations

FEMA uses the term “special considerations” to describe issues other than basic program eligibility that affect the scope of work and funding for a project. These issues include environmental and historic preservation compliance with all applicable rules and regulations, insurance, and hazard mitigation. Special considerations are identified on the PW during formulation. When a project is submitted for closeout, it is necessary to ensure all special considerations identified on the PW have been addressed.

10.3.1 Environmental/ and Historic Preservation

The Regional Environmental Officer (REO) will be consulted if there are any significant deviations from the approved scope of work in the original PW. The REO or his/her delegate must also be included in the closeout review of any project that has conditions identified by the Environmental/ Historic Preservation reviewers.

10.3.2 Insurance

PA Program staff will ensure the Subgrantee obtained the insurance required for grant approval and the reductions are made correctly (e.g., duplication of benefits, mandatory National Flood Insurance Program requirements), and make any needed adjustments using the appropriate cost code line item.

10.3.3 Mitigation

PA Program staff will ensure any and all mitigation approved in the scope of work is completed, noting any discrepancies and making needed adjustments using the appropriate cost line items.



10.4 Time Extensions

Monitoring time extensions is critical to the success of both program management and grant management. The Grantee has the authority to approve time extensions as outlined in the table below.

Category	Regulatory Deadline	Grantee Time Extension Authority	Total Time Allowed (with Grantee Time Extension)
Categories A and B	6 Months	6 Months	12 Months
Categories C–G	18 Months	30 Months	48 Months

Time extensions are changes to the original grant agreements. The Grantee must approve time extensions in writing and should notify FEMA of time extensions by:

- Adding a notation in the quarterly progress report
- Completing the State-approved time extension field in NEMIS/EMMIE
- Sending a letter or e-mail to the RA and/or their designee

The RA must approve, in writing, all time extensions that are beyond the Grantee's authority. NEMIS/EMMIE and any other appropriate reporting mechanisms should capture the time extension date. Grantee will provide a written narrative or explanation for the extension (s), in addition to, a tentative work plan noting when the project will be completed. FEMA will use the approved time extension dates to plan and make projections to meet stated objectives.

10.5 Audits

Pursuant to the Inspector General Act of 1978 and the Homeland Security Act of 2002, the OIG conducts audits of FEMA programs including the PA Program. Pursuant to FEMA Directive 077-1 *External Audits and Investigations of Agency Programs and Operations*, PA Program staff performs the following tasks related to OIG audit reports and findings:

- Send a letter to the Grantee requesting a response to findings.
- Evaluate OIG findings and Grantee and Subgrantee responses to each finding.
- Submit a memorandum to the OIG outlining concurrence or non-concurrence with findings and related corrective actions. The memo should indicate that FEMA considers all findings.
- Send a letter to the Grantee outlining concurrence or non-concurrence with audit findings and related corrective actions. The letter should make specific reference to any PW versions written in response to findings and should describe the appeal procedures outlined in Section 9.6 below.
- De-obligate questioned funds or complete other corrective actions, as appropriate.

Please refer to OMB Circular A-133 which outlines the process for conducting OMB Circular A-133 Audits.



PA Program Management and Grant Closeout Standard Operating Procedure

10.6 Appeals

10.6.1 First Appeals

The appeals process is outlined in 44 CFR §206.206, **Appeals**. The Subgrantee submits its appeal to the Grantee within 60 days of receipt of an official notice of the decision it is appealing. The appeal contains the justification and documentation that supports the appellant's position, specifying the monetary figure in dispute, and the provisions in Federal law, regulation, or policy with which the appellant believes the initial action was inconsistent. The Grantee reviews and forwards the appeal, with its recommendation, to the RA within 60 days of receipt. FEMA denies appeals submitted after the regulatory deadlines. PA Program staff thoroughly and impartially reviews, researches, and evaluates all appeals prior to making a determination. The response letter to the Grantee thoroughly explains the determination and, if applicable, the process for submitting a second appeal.

10.6.2 Second Appeals

The Subgrantee may submit a second appeal through the Grantee within 60 days of receipt of the first appeal determination. The Grantee provides a recommendation to the RA within 60 days of receipt of an official notice of the first appeal determination. Because the Grantee is responsible for providing program guidance to the Subgrantee as the subject matter expert, the Grantee's recommendation should expand on items the Subgrantee does not fully explain and to fully explain and justify the Grantee's position.

The Regional PA Branch will promptly process the appeal, and forward it with a transmittal letter noting any additional information submitted on second appeal, to the Assistant Administrator, Recovery at FEMA HQ.

Second appeals can be uploaded via Sharepoint or mailed to the appropriate FEMA Region or HQ, as appropriate. The second appeals package shall include the following items:

- Denial letter of the first appeal
- Subgrantee and Grantee first appeal letters and supporting documentation
- Second Appeal letters from Subgrantee and Grantee with supporting documentation, and justification for the second appeal
- Regional transmittal letter, which is sent to the Assistant Administrator of Recovery
- Any related correspondences

The response to the second appeal is the last and final agency decision in the appeals process. There are NO third appeals or requests for reconsideration.



11.0 Management and Administrative Costs

Management and administrative costs are available to reimburse the Grantee or Subgrantee for eligible activities they undertake in the administration of their disaster grant. It is essential to understand that, pursuant to 44 CFR §207, there is a difference in how these costs are funded based on the declaration date.

11.1 Disaster Declared Before November 13, 2007

For disasters declared before November 13, 2007, an administrative allowance is provided for each PW for the Grantee and Subgrantee. This allowance is calculated automatically by the processing system (NEMIS/EMMIE or ADAMS) based on a sliding scale.

In addition to reimbursement under the administrative allowance, a Grantee may request a "State Management" PW to cover the actual regular time costs of State employees and other grant administration costs. These costs are processed at the prevailing Federal share for the disaster. The Grantee is not required to seek reimbursement for management costs from FEMA.

11.2 Period of Availability of Grantee Administrative Costs

The period of availability to expend Grantee management administrative costs and Grantee indirect costs in accordance with 44 CFR 207.9 (d) is as follows:

- **Major disaster.** A maximum of eight (8) years from the date of declaration or 180 days after the latest performance period of a non-management cost PA PW, whichever is sooner.
- **Emergency disaster.** A maximum of two (2) years from the date of declaration or 180 days after the latest performance period of a non-management cost PA PW, whichever is sooner.
 - This period of availability can only be extended at the written request of the Grantee and with the recommendation of the RA and the approval of the Chief Financial Officer.
 - Final approval of management costs is based on actual costs incurred. FEMA deobligates any costs not liquidated or drawn down by the Grantee upon closeout or at the end of the allowable performance period, whichever is sooner.

The Grantee Statutory administrative allowance and the Subgrantee administrative allowance provided by the sliding scale do not have a period of availability.

11.3 Disaster Declared On or After November 13, 2007

For disasters declared on or after November 13, 2007, eligible Grantees and Subgrantees may request reimbursement for their indirect and direct administrative costs.



PA Program Management and Grant Closeout Standard Operating Procedure

11.3.1 Indirect Costs

Stafford Act Section 324 management costs are any indirect costs, and administrative and other expenses that a Grantee or Subgrantee reasonably incurs in administering and managing the PA grant that are not directly chargeable to a specific project. FEMA reimburses Section 324 management costs on Category Z PWs in an amount not to exceed 3.34 percent of the Federal share of projected eligible program costs (not including direct Federal assistance) for major declarations and 3.90 percent for emergency declarations. Final approval of Section 324 management costs is based on the actual costs incurred. FEMA de-obligates any costs not liquidated or drawn down by the Grantee upon closeout or at the end of the allowable performance period, whichever is sooner. The Grantee has the authority to share or not share the 3.34 percent funding with its Subgrantees.

Note: Section 324 management costs are 100 percent federally funded.

11.3.2 Direct Costs

Direct costs are administrative costs incurred by the Grantee or Subgrantee that can be identified separately and assigned to a specific project. For a Grantee, direct costs are captured on one Category Z PW per Subgrantee using cost line item "9902 – Direct Administrative Costs (Grantee)." However, Grantees must document their direct costs on a project-by-project basis, cross referencing each PW and documenting the direct administrative costs for each separately.

For a Subgrantee, these costs are captured on the PW for which they were incurred and coded using cost line item "9901 – Direct Administrative Costs (Subgrantee)."

Grantees must document their direct costs on a project-by-project basis, cross-referencing each PW and documenting the direct administrative costs for each separately.

Eligible direct costs for either the Grantee or Subgrantee are processed at the prevailing Federal share for the disaster.

11.3.3 Direct Costs

Disasters declared before November 13, 2007, are processed differently than those declared on or after November 13, 2007. The period of availability to expend these Section 324 indirect cost funds is as follows:

- **Major disaster.** A maximum of eight (8) years from the date of declaration or 180 days after the latest performance period of a non-management cost PA PW, whichever is sooner.
- **Emergency disaster.** A maximum of two (2) years from the date of declaration or 180 days after the latest performance period of a non-management cost PA PW, whichever is sooner.
 - This period of availability can only be extended at the written request of the Grantee and with the recommendation of the RA and the approval of the Chief Financial Officer.
 - Final approval of management costs is based on actual costs incurred. FEMA de-obligates any costs not liquidated or drawn down by the Grantee upon closeout or at the end of the allowable performance period, whichever is sooner.



12.0 Project Allocations

According to the FFC's direction, all PA Program staff will request funds as they are needed throughout the FY, rather than lumping funds into one or two large requests. Therefore, the staff must request multiple allocations throughout the year. Allocations are needed before funds are obligated for PWs. They are initiated through the NEMIS ES module (note that, for EMMIE disasters, the allocation process begins in the NEMIS ES module). Once an allocation is initiated by PA Program staff in the NEMIS ES module, they must send an e-mail justifying the funding to the Comptroller for his or her review and, if the request is acceptable, this e-mail should be forwarded to a Division Director or FCO for Disaster Recovery Manager approval.

13.0 Transition from Joint Field Office or Processing Center to Region

A smooth transition from field operations to the Regional office is critical to maintain continuity of ongoing work and unresolved issues.

Prior to the demobilization of final field operations, the PA Group Supervisor or designee coordinates with the Region to transition the physical files to the Regional office. The following should be considered before this transition:

- Estimate the size of remaining workload that would be sent to the Region to assure there is adequate support in the Region to process it in a timely matter.
- Number of "banker style" file boxes to be sent to the Region, manner in which they are to be sent (e.g., FEMA truck, UPS), and date on which they should arrive.
- A list of PWs that are in process and what actions need to be completed (e.g., scanning, review, obligation, and filing). Tracking numbers for any remedy tickets that have been submitted to the EMMIE Helpdesk for PWs for which the electronic files are missing (referred to as "lost" in the EMMIE system).
- Potential issues regarding projects. These issues should be identified and the PA Branch Chief and staff should be advised.
- If projects require special considerations review (e.g., insurance, mitigation), the arrangements that have been made with the PA Group Supervisor to conduct these reviews.



14.0 Performance Measures

For each disaster or emergency declaration, PA Program staff should complete the following actions in order to quantify performance:

- Obtain Grantee quarterly progress reports for all disasters or emergencies with open large projects
- Analyze quarterly report information to determine projected number of closeouts per quarter
- Coordinate with the Grantee on projects to close out in the quarter
- Project the number of complete large project FRRs in the quarter
- Project the number of project closeouts in the quarter

Sample Performance Measures				
Performance Measure	Total Number	Total Projected	Actual Completed	Number carried to next quarter
Obtain and analyze quarterly progress reports (1 per disaster with open large projects)				
Conduct quarterly visit to discuss potential projects and large projects to be completed (1 per State)				
Complete large project closeouts				
Complete project closeouts				
Closeout PA declaration this quarter				



PA Program Management and Grant Closeout Standard Operating Procedure

15.0 Subgrantee Closeout

The closeout process includes obtaining a signed letter from the Grantee requesting closeout of the Subgrantee and stating that all projects (large and small) listed on the P.4 are 100 percent complete. The Grantee may provide a letter certifying that the Subgrantee completed all projects in accordance with related laws, regulations, and policies, in lieu of a signed P.4. In addition, some Regions defer the Subgrantee closeout to the Grantee and only require a final certification for all Subgrantees at program closeout.

If provided, a completed P.4 or letter signed by the Subgrantee or the GAR or designee is reviewed to:

- Verify that the Grantee or FEMA performed a final financial reconciliation on all large projects. If a final reconciliation is not complete, the Grantee must schedule the final reconciliation and closeout must be delayed until it is. Associated funding must be amended, as appropriate.
- Ensure all eligible PWs are obligated, comparing the total PWs on the P.4 report with all PWs approved on FEMA's S.3 report. If the reports do not agree, closeout must be delayed until the discrepancy is resolved.
- Ensure the total costs claimed by the Subgrantee are reconciled with FEMA's D.6 report (ADAMS) or P.5 report (NEMIS/EMMIE) report, verifying that the total Federal share of all PWs recorded on the D.6 or P.5 report matches the amount claimed on the P.4.
- If used, ensure each P.4 or certifying letter has an authorized signature. Missing authorized signatures must be obtained before closeout.
- Ensure no outstanding issues remain that could affect funding, such as appeals or audits.

After PA Program staff review and concur with the closeout request, FEMA prepares a package containing: (1) the Grantee's letter requesting Subgrantee closeout, (2) the Grantee's P.4 report, if provided, (3) a current S.3 report, and (4) a current D.6 or P.5 report. (See Appendix M for a sample Subgrantee closeout letter or acknowledgement that documents closeout and provides the Grantee official notification.)

PA Program staff must complete the closeout process in ADAMS or NEMIS/EMMIE in accordance with the *NEMIS IS User Manual and Procedure Guide*, Chapter 10, "Closeouts Using NEMIS," which is located behind the FEMA firewall at <https://nemis.fema.net/nemis/>. EMMIE guidance is located at <https://portal.fema.net/famsRuWeb/home>. Management reports should be updated, as appropriate.



16.0 Public Assistance Grant Closeout

16.1 Grantee Requirements

After all Subgrantees for a disaster or emergency have been closed out and the Grantee has made all disbursements, the Grantee performs a financial reconciliation and draws down any remaining eligible funds in SMARTLINK, or requests de-obligation of unexpended funds within 90 days of the last payment.

The Grantee sends a letter to the RA requesting PA Program closeout. A completed SF-425 form must be part of the closeout request.

16.2 FEMA Requirements

PA Program staff, the Program Manager, or Grants Management staff completes a financial reconciliation and the Grantee Closeout checklist. Once all projects and Subgrantees are closed out and the appeal timeframe has expired, the financial closeout process can begin. In most Regions, PA Program staff is responsible for initiating the closeout process by submitting a letter from the Grantee requesting closeout of the grant to the MSD, Finance Branch, or GMD, along with the final FEMA SF 425.

Once PA Program staff, or another responsible entity, initiates the closeout process, the Finance or PA Branch completes a reconciliation of the grant using the NEMIS/EMMIE or ADAMS, and IFMIS and SMARTLINK systems, along with the final FEMA SF 425. Since PA Program staff may not have access to IFMIS, they may complete the reconciliation using only NEMIS/EMMIE, SMARTLINK, and the final FEMA SF 425. All transactions in the grant programs originate in NEMIS. All entries in NEMIS are automatically uploaded to IFMIS and SMARTLINK. If the originating system, NEMIS, and the end system, SMARTLINK, reflect the final FEMA SF 425, then the grant can be closed. If discrepancies exist, then a more detailed reconciliation must be performed using the IFMIS data. The MSD or GMD completes the IFMIS reconciliation. Only the FFC may enter data directly into SMARTLINK or download data directly from IFMIS.

The reconciliation report, closeout request, and final SF-425 are then forwarded to the MSD or GMD for verification of the final reconciliation. Once this is complete, FEMA Finance Center (FFC) sends an e-mail to the Region's MSD – Finance Branch identifying the official closeout dates for that grant. The FFC forwards the e-mail to the Infrastructure Program Manager. Upon its receipt, a letter or acknowledgement is sent to the Grantee referencing the official closeout date of their grant. At this point, the PA Program Manager or PA Program staff should enter the official closeout date into NEMIS in the Operational Strategy menu. The disaster files are then shipped to Archives, and the process is complete.



FEMA

SOP9570.14 PA Program Management and Grant Closeout Standard Operating Procedure

17.0 Closed Public Assistance Files Archives

PA Program files will be archived in accordance with FEMA Manual 5400.2 (Records Management Files: Maintenance and Disposition), which outlines that the files may be transferred to a Federal Records Center (FRC) 1 year after they have been closed (also referred to as the “cut-off date”). PA Program files, which fit into the category of FEMA file type Disaster Assistance Policy 4-1, must be kept for six (6) years and three (3) months after their cut-off date, after which time they may be destroyed. If the records are stored with the FRC, its staff destroys the files at the appropriate time.