

FEMA Region 3 Process Guidance: Public Assistance Documentation Requirements

Purpose:

This document is intended to provide guidance on documentation submission, initial validation and closeout requirements for recipients and subrecipients under the COVID-19 disaster operations.

Definitions:

- **Small Project (\$3,300 up to \$131,100)**- A project for which the final obligated (Federal and non-Federal) amount is less than the annually adjusted cost threshold for small project grants.
- **Large Project (\$131,100 or above)**- A project for which the final obligated (Federal and non-Federal) amount is equal to or greater than the annually adjusted cost threshold for small project grants.
- **Recipient** - A non-Federal entity that receives a Federal award directly from a Federal awarding agency to carry out an activity under a Federal program.
- **Subrecipient** - A non-Federal entity that receives a subaward from a pass-through entity to carry out part of a Federal program.
- **Work Completed** – Emergency protective measures which have been carried out at the time of submission of the Streamlined Application and for which the subrecipient is seeking reimbursement of actual costs incurred.
- **Work to be Completed** – Work which a subrecipient anticipates performing within the period of performance and for which they are seeking estimated funding.
- **Project Formulation** – The process through which eligible work and costs are formulated into subawards (projects).
- **Project Closeout** – Final review of completed work including financial reconciliation and certification of funds disbursed.

Project Formulation:

Recipients and subrecipients use FEMA's Grants Portal to submit their disaster-related claims and supporting documentation, which is used to formulate Projects. Projects are formulated based on dollar amount and status of work; completed or to be completed. For all projects, the subrecipient is responsible for providing information and documentation to support that its facilities, work, and costs are eligible for funding.

Through the Streamlined Project Application (SPA) process, subrecipients will provide responses detailing their work activities and costs. They will be prompted to provide supporting documentation for their claimed work and cost, which may include items referenced in Table 10 of PAPPG V. 3, page 140. Examples from this list includes:

Force Account Labor: For each individual: Name, Job title and function, Type of employee (i.e., full-time exempt, full-time non-exempt, part-time, temporary, prisoner, etc.); Days and hours worked; Pay rate(s) and fringe benefit rate(s); Description of work performed with samples of daily logs / activity reports, timesheets, Fringe benefit calculations; Pay policy.

Force Account Equipment: For each piece of equipment: Type of equipment and attachments used, including year, make, and model size/capacity (e.g., horsepower, wattage), Locations and days and hours used with usage logs; Operator name, Schedule of rates, including rate components.

Supplies from Stock: Historical cost records; Inventory records; Type of supplies and quantities used, with support documentation such as daily logs.

Purchased Supplies: Copies of vendor receipts or invoices.

Contracts: Procurement policy; Procurement and bid documents; For procurements in excess of the simplified acquisition threshold (\$150,000 prior to 8/2020 and \$250,000 going forward), a cost/price analysis; Contracts, change orders, and invoices; Dates worked; For time and materials (T&M) contracts, monitoring documentation.

Large Projects:

For Large Projects, FEMA can formulate projects based on actual costs for work completed or based on an estimate for work to be completed during the period of performance.

Work Completed

- If the subrecipient has completed work within the Scope of Work (SOW), these costs are prepared based on actual costs.
- Subrecipients must submit cost summaries for labor, equipment and materials; as well as a 20% sampling of underlying source documents to validate costs incurred.
 - This 20% subrecipient provided sample should consist of the applicable examples listed above and in Table 10 of PAPPG V. 3.
 - 100% documentation to support claimed costs is not required.

Work to be Completed

- If work remains to be completed at the time of project formulation, the cost for work to be completed can be based on estimates developed by FEMA or the subrecipient.
- Subrecipients should provide a detailed description of the work to be completed, a description of immediate threat; detailed description of work activities; and work locations.
- Subrecipients should provide documentation to support estimates developed
- The source or calculation for any estimates should be included (such as contractor quote or historical costs).

Small Projects:

The subrecipient provides a detailed summary of the work and cost along with a self-certification in lieu of supporting documentation. The subrecipient must retain documentation for appeals and audits.

Work Completed

- Subrecipients provide a summary of actual costs incurred in completing the claimed work.
- Self-certification of work performed and costs incurred is provided through Grants Portal when submitting a project application.

Work to be Completed

- Subrecipients provide a summary of estimated costs for work to be completed.
- The source or calculation for any estimates should be included (such as contractor quote or historical costs).

Project Validation¹:

FEMA evaluates the eligibility of work and costs based on documentation provided by the subrecipient during project formulation².

¹ Though FEMA may use a sample to validate the project for initial obligation, the subrecipient must maintain and be able to provide, if requested, all source documentation supporting project costs.

² Cost eligibility criteria can be found in PAPPG V. 3, starting on page 21.

Large Projects

Work Completed

- FEMA determines project eligibility by reviewing the work and cost detailed in the subrecipient's summaries and supporting documentation.
- FEMA will validate all information has been provided. If incomplete, FEMA will request the missing information.
- FEMA will review the supporting documentation provided based on each type of work (force account labor, force account equipment, purchases and contracts). If the cost summary and sample provided do not match, FEMA will request additional information to resolve the discrepancy.
- If FEMA cannot validate eligibility by reviewing the initial sample, another documentation sample may be requested.

Work to be Completed

- FEMA will validate the information submitted by the subrecipient.
- FEMA uses standard cost estimating tools, such as RS Means, or prevailing rates to validate or develop a cost estimate. Usage rates, forecasted projects, and per capita populations are used to validate quantity reasonableness.

Small Projects

Work Completed

- FEMA determines project eligibility by reviewing the work and cost detailed in the subrecipient's cost summaries and self-certification.
- If work or cost eligibility cannot be determined, FEMA will request clarification of the documentation provided through the RFI process.

Work to be Completed

- FEMA validates the information submitted by the subrecipient.
- FEMA uses standard cost estimating tools, such as RS Means, or prevailing rates to validate or develop cost estimates. Usage rates, forecasted projects, and per capita populations are used to validate quantity reasonableness.
- If work or cost eligibility cannot be determined with provided information, additional supporting documentation or estimation calculations will be requested through an RFI.

Project Closeout and Final Financial Reconciliation:

Large Projects

At project closeout, FEMA and the recipient conduct a final review of large projects to validate actual costs incurred. The final obligation is adjusted to actual cost prior to project closeout.

Large Project closeout packages must include:

- A cost breakdown identifying the individual elements that comprise the total actual costs claimed;
- The subrecipient's accounting of project expenditures and dates of expenditures (such as a report from its accounting system);
- All applicable documentation to support the actual costs as identified;

- Documentation which substantiates the work performed was consistent with the approved SOW;
- Documentation to substantiate compliance with all terms and conditions of the award including environmental compliance documentation and insurance policies;
- A summary explaining the documentation submitted.

FEMA reviews and verifies the accuracy of costs by sampling 20% of the documentation provided. If FEMA successfully validates the sample, it considers all the records to be correct. If errors are identified in the initial sample, FEMA will work with the recipient and subrecipient to correct the errors and will review a larger sample. For Projects that require a change to its funding level, FEMA will prepare a project amendment and obligate additional funds or reduce funding based on actual, validated costs.

Small Projects

Once obligated, FEMA does not adjust the approved funding of an individual Small Project. This applies even when the project is based on an estimate or if actual costs for completing the eligible SOW differ from the estimated amount.

To close Small Projects, the recipient must submit a Small Project Completion Certification and certify that:

- The Subrecipient completed the approved SOWs for all its Small Projects in accordance with the FEMA-State Agreement; and
- It made all payments in accordance with the FEMA-State Agreement.

FEMA will close small projects upon receipt of the project completion certification and recipient request for closure.