
FEDERAL EMERGENCY MANAGEMENT AGENCY

CFDA 83.543 INDIVIDUAL AND FAMILY GRANTS

I. PROGRAM OBJECTIVE

The Individual and Family Grants (IFG) program is a cost-shared program to provide funds for the necessary expenses and serious needs of disaster victims, which cannot be met through other forms of disaster assistance or through other means such as insurance.

II. PROGRAM PROCEDURES

The Governor may request that a Federal grant be made to a State for the purpose of such State making grants to individuals or families who, as a result of a major disaster, are unable to meet disaster-related necessary expenses or serious needs. The total Federal grant is made only on condition that 25 percent of the actual cost of meeting individuals' or families' necessary expenses or serious needs is paid from funds made available by the State (44 CFR section 206.131). Free Associated States (FAS) have exceptions to the 75/25 percent cost share. These FAS are governed by the Compact of Free Associations with the US, "Federal Programs and Services Agreement with the Republic of the Marshall Islands and the Federated States of Micronesia," territories of the US (such as Guam and American Samoa), along with Commonwealth of the Northern Marianas Islands, operating under the "Covenant to Establish CNMI as a Political Union with the US."

The State administers the IFG program based on a State Administrative Plan that must be approved by the Federal Emergency Management Administration (FEMA) each January and at the beginning of the recovery process before Federal funds are awarded to the State. FEMA provides States administrative expenses in an amount equal to up to five percent of the Federal share of the program.

Source of Governing Requirements

This program is authorized by Section 411 of the Robert T. Stafford Disaster Relief and Emergency Act (Stafford Act), Pub. L. No. 93-288, as amended. Implementing regulations are 44 CFR section 206.131.

Availability of Other Information

General program information is available on the Internet at www.fema.gov/r-n-r/inassist.htm.

III. COMPLIANCE REQUIREMENTS

In developing the audit procedures to test compliance with the requirements for a Federal program, the auditor should first look to Part 2, Matrix of Compliance Requirements, to identify which of the 14 types of compliance requirements described in Part 3 are applicable and then look to Parts 3 and 4 for the details of the requirements.

A. Activities Allowed or Unallowed

Activities allowed are grants to individuals or families who, as a result of a major disaster, are unable to meet disaster-related necessary expenses or serious needs and State administrative expenses (44 CFR section 206.131(a)).

E. Eligibility**1. Eligibility for Individuals**

With respect to any one major disaster, an individual or family may not receive a grant or grants under IFG totaling more than the statutorily determined maximum amount. This amount is \$14,400 for October 1, 2000 through September 30, 2001 and \$14,800 for October 1, 2001 through September 30, 2002. The amount is adjusted annually to reflect changes in the Consumer Price Index. FEMA notifies the States each year of the adjusted amount.

The State determines eligibility in accordance with the IFG State Administrative Plan, as approved by FEMA in accordance with 44 CFR section 206.131. FEMA performs damage verifications for the State on IFG applicants who are not required to apply for a Small Business Administration (SBA) loan, and on those applicants referred by SBA to IFG as a result of that agency's loan application process. FEMA conducts verifications (for States) in the categories of real and personal property, including verification of home ownership and primary residency, personal property, and transportation (vehicles) for those applicants who also have real and/or personal property losses. FEMA contract inspectors collect information for the State IFG program because they are at the damaged residence to perform verification on real and personal property losses. FEMA does not perform verification for applicants that only have a vehicle loss; the State performs verifications for those applicants. Certain damage or loss verifications are performed by the State, such as on late applications or reinspections, medical, dental, funeral, and other categories.

- 2. Eligibility of Group of Individuals or Area of Service Delivery - Not Applicable**
- 3. Eligibility for Subrecipients - Not Applicable**

G. Matching, Level of Effort, Earmarking**1. Matching**

Costs for payments to individuals and families are shared on a 75 percent Federal and 25 percent State basis. The State must provide the matching for IFG at the time of expenditure of Federal funds (e.g., when each IFG dollar is paid, the State provides 25 cents and the Federal funds provide 75 cents) (44 CFR section

206.131(a)). The Governor may, however, request a loan of the State's 25 percent share (44 CFR 206.45(a)).

2. Level of Effort - Not Applicable

3. Earmarking

Reimbursable State administrative expenses shall not exceed five percent of the Federal grant (44 CFR section 206.131(a)).

L. Reporting

1. Financial Reporting

- a. SF-269, *Financial Status Report* - Applicable
- b. SF-270, *Request for Advance or Reimbursement* - Applicable
- c. SF-271, *Outlay Report and Request for Reimbursement for Construction Programs* - Not Applicable
- d. SF-272, *Federal Cash Transactions Report* - Applicable

2. Performance Reporting - Not Applicable

3. Special Reporting - Not Applicable

FEDERAL EMERGENCY MANAGEMENT AGENCY**CFDA 83.544 PUBLIC ASSISTANCE GRANTS****I. PROGRAM OBJECTIVE**

The objective is to provide assistance to States, local governments, and selected non-profit organizations under the Public Assistance Grants Program.

II. PROGRAM PROCEDURES

Following a Presidential declaration of a major disaster or an emergency, the Federal Emergency Management Agency (FEMA) awards grants for public assistance to States. The State may use the funds to restore its own disaster-damaged projects and to provide subgrants to local governments (including Indian tribes, authorized tribal organizations, and Alaskan native villages and organizations) and selected private non-profit facilities.

The Public Assistance program is administered by the State (e.g., the State Emergency Agency) in accordance with a FEMA-State Agreement to provide assistance which may be available under an emergency or major disaster declaration. The State acts as the grant administrator for all funds provided under the Public Assistance Grants Program. The grant administrator's responsibility includes providing technical advice and assistance to eligible subgrantees, providing State support for damage survey activities, ensuring that all potential applicants are aware of assistance available, and submission of documents necessary for grant awards (44 CFR sections 206.200 through 206.349). In certain circumstances an Indian Tribe may be a grantee.

For purposes of the Public Assistance program, the following terms will be used:

State - The State Agency which is defined as the grantee under FEMA regulations and acts as the grant administrator for the program.

Subgrantee - The government or other legal entity to which a subgrant is awarded and which is accountable to the grantee for the use of the funds provided (44 CFR section 206.201(l)). (For example, in explaining this program, a State Highway Agency is considered a subgrantee of a State Emergency Agency even though both agencies may be included in the same State-wide single audit.)

RD - The FEMA Regional Director.

Public Assistance program awards are made based upon a Project Worksheet (PW) prepared by a project formulation team. The project formulation team normally includes a representative of FEMA, the State, and any subgrantee. The PW documents the project formulation team's determination of the eligible scope of work and cost estimate. The Public Assistance Program will fund a part of this eligible work in accordance with the FEMA-State Agreement. Each PW has a control number and any supplemental PWs will be referenced to the original PW.

Projects are classified as large or small projects according to the cost of the eligible work for the individual project. FEMA sets a dollar cost threshold for distinguishing large from small projects. Projects whose cost equals or exceeds this threshold are large projects; projects costing less are small projects. The threshold is adjusted each October to reflect changes in the Consumer Price Index, and published in the *Federal Register*. The threshold is \$50,600 for the period October 1, 2000 through September 30, 2001, and \$52,000 for the period October 1, 2001 through September 30, 2002. The date the disaster is declared by the President determines the threshold in use.

Small Projects

Applicants are encouraged to make their own estimates for small projects and prepare PWs to be submitted to FEMA. FEMA will then take a 20 percent sample of the small projects prepared by the applicant and verify that the scope of the work is eligible and the cost estimate reasonable. If the sample passes this validation, FEMA accepts all small project PWs from the applicant and obligates the funds. If the sample fails, a second 20 percent is reviewed. If the second sample also fails, FEMA assigns a specialist to assist the applicant in reformulating and resubmitting all small projects to FEMA. A FEMA representative is assigned to formulate an applicant's small projects, when an applicant elects not to do so.

For small projects, final payment of the Federal share of eligible costs is made upon approval of the project. The amount awarded for small projects based on the PW generally will not change except under unusual circumstances, such as failure to complete the work, an unexpected insurance recovery, or an obvious error in calculation. At close-out of the disaster contract, the State is required to certify that all projects were properly completed and that the State contribution, as specified in the FEMA-State Agreement, was paid to each subgrantee. However, this certification does not specify the amount spent by a subgrantee on small projects. If the actual cost for small projects is less than the estimated cost on the PW, FEMA generally will not ask for a refund. Similarly, FEMA generally will not provide additional funding when actual costs exceed the PW estimate. However, provision is made that, when a subgrantee has significant overruns, an appeal may be made to FEMA for additional funding based upon the total final costs for all small projects (44 CFR sections 206.204(e) and 206.205(a)).

Large Projects

For large projects, the State must make an accounting to FEMA of eligible costs for each approved large project. In submitting the accounting, the State must 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 FEMA-State Agreement, and that payments for the project have been made in accordance with the A-102 Common Rule's requirements for payment. The subgrantee is required to make similar accounting and certifications to the State. If actual costs are less than the approved amount, then the FEMA share will be based upon the actual costs. The subgrantee may request additional funding for eligible cost overruns on large projects. For additional funding, these requests must include a written recommendation from the State and approval of the RD (44 CFR sections 206.204(e) and 206.205).

Improved Projects

If a subgrantee desires to make improvements, but still restore the pre-disaster function of a damaged facility, State approval must be obtained. Federal funding for an improved project is limited to the Federal share of the approved estimate of the eligible costs. Funds approved as an improved project can only be used as a contribution for the construction of larger or improved facilities that restore at least the pre-disaster capacity of the damaged or destroyed facility. For example, if eligible work to restore the pre-disaster capacity is \$100,000, and the subgrantee chooses to rebuild an improved facility which costs \$200,000, then the FEMA share is only based on the \$100,000. However, if the actual cost is less than the eligible work of \$100,000 (e.g., construction costs are much lower than expected), then a FEMA adjustment is required (44 CFR section 206.203).

Alternate Projects

In a case where the subgrantee determines that the public welfare would not be best served by restoring a damaged public facility, the State may request that FEMA approve an alternate project. This option is available only for permanent, restorative work. Funds contributed for alternate projects may be used to repair or expand other selected public facilities, to construct new facilities, or to fund hazard mitigation measures. These funds may neither be used to pay the non-Federal share of any project nor for any operating expense (44 CFR section 206.203(d)(2)).

Funds approved for an alternate project can be used only for alternate projects specifically approved by FEMA. While the States and subgrantees have flexibility to propose the type and size of alternate projects they wish to construct, FEMA must review such proposed projects to ensure compliance with environmental and other special concerns (44 CFR section 206.203).

Administrative Costs

FEMA also provides funding for costs incurred by States and their subgrantees in administering the Public Assistance Grant Program. The State receives a statutory administrative cost allowance determined according to a formula based on percentages of the aggregate Federal share of funding provided to subgrantees for approved projects. State administrative costs not covered by this allowance may also be allowed with FEMA prior approval. The State awards administrative cost allowances to subgrantees according to a formula based on percentages of the subgrantees' net eligible project costs.

Source of Governing Requirements

This program is authorized by 42 USC 5121 *et seq.* Program regulations issued by FEMA are codified at 44 CFR sections 206.200 through 206.349.

Availability of Other Program Information

Additional program information is available on the FEMA website at www.fema.gov/r-n-r/pa.

III. COMPLIANCE REQUIREMENTS

In developing the audit procedures to test compliance with the requirements for a Federal program, the auditor should first look to Part 2, Matrix of Compliance Requirements, to identify which of the 14 types of compliance requirements described in Part 3 are applicable and then look to Parts 3 and 4 for the details of the requirements.

A. Activities Allowed or Unallowed

The allowed activities for the Public Assistance program are for the approved project as described on the PW and supporting documentation. The approved project may be repair of the damaged facility, an improved project, or an alternate project (44 CFR section 206.203).

B. Allowable Costs/Cost Principles

1. *Equipment Usage* - The Public Assistance program restricts eligible direct costs for applicant-owned equipment used to perform eligible work to reasonable rates that were established under State guidelines, or when the hourly rate exceeds \$75, rates may be determined on a case by case basis by FEMA. When local guidelines are used to establish equipment rates, reimbursement is based on those rates or rates in a Schedule of Equipment Rates published by FEMA, whichever is lower. Provision is also made when no rates are established or the entity wishes to claim an equipment rate which exceeds the FEMA Schedule (44 CFR section 206.228(a)(1)).
2. *Administrative Costs*
 - a. *Grantee* - A State may use funds made available by FEMA under its administrative cost allowance only for extra-ordinary direct costs of preparing PWs, final inspection reports, project applications, etc., and for making final audits and related field inspections. Specific cost items allowable for such purposes include overtime pay, per diem and travel expenses for State employees, but not regular (straight time) salaries. Cost items not eligible for funding from the State's administrative cost allowance, but still related to managing the program, may be funded from the grant if prescribed in an approved PW. A State may recover regular (straight time) salaries and certain other administrative costs in this way (44 CFR sections 206.228(a)(2) and (a)(3)).
 - b. *Subgrantee* - A subgrantee may use funds made available in its administrative cost allowance for necessary costs of requesting, obtaining, and administering its subgrant. No other direct or indirect costs are allowable at the subgrantee level (44 CFR sections 206.228(a)(2) and (a)(3)).

3. *Force Account Labor Costs* - The straight- or regular-time salaries and benefits of a subgrantee's permanently employed personnel are not eligible in calculating the cost of eligible work for emergency protective services or debris removal under sections 403 and 407 of the Stafford Act (42 USC 5170b and 5173, respectively). For performance of eligible permanent restoration under section 406 of the Stafford Act (42 USC 5172), straight-time salaries and benefits of a subgrantee's permanently employed personnel are eligible (44 CFR section 206.228(a)(4)).
4. *Insurance and Other Recoveries* - Auditors are advised that there are likely to be amounts from insurance settlements, salvage, or other sources which must be considered in determining allowable costs because allowable costs must be net of applicable credits.

E. Eligibility

1. **Eligibility for Individuals** - Not Applicable
2. **Eligibility of Group of Individuals or Area of Service Delivery** - Not Applicable
3. **Eligibility for Subrecipients**

A State may award subgrants under this program to the following types of entities:

- a. State and local governments;
- b. Private non-profit organizations or institutions which own or operate a private non-profit facility, such as (but not limited to) an educational, medical, or custodial care facility, or other facility providing essential governmental type services to the public; and
- c. Indian tribes or authorized tribal organizations and Alaska Native villages or organizations (but not Alaska Native Corporations, the ownership of which is vested in private individuals) (44 CFR sections 206.221 and 206.222).

G. Matching, Level of Effort, Earmarking

1. Matching

Costs must be on a shared basis, as specified in the FEMA-State agreement. In general, the minimum Federal share is 75 percent of eligible costs. For an alternate project, however, Federal funding is based on 75 percent of the Federal share of the approved estimate of eligible costs. For example, if the approved estimate of eligible costs to restore the pre-disaster capacity is \$100,000, and the entity chooses not to rebuild but instead to do alternate work, then assuming a 75 percent match, the Federal share is computed as:

Approved estimate of eligible costs	\$100,000
Assumed match of 75% Federal/25% State	X 75%
Subtotal	\$ 75,000
Adjustment for alternate project	X 75%
Federal share	\$ 56,250

If unstable soil at the original site is the reason for a governmental applicant choosing an alternate project, the adjustment is 90% (Pub. L. No. 93-288 as amended by the Stafford Act; 42 USC 5121 *et seq.*; and 44 CFR sections 206.203(b) and 206.203(d)(2)).

The matching split between the State and the subgrantee will vary. The accountability for meeting the matching requirement is determined at the time of project accounting as part of project closeout, (e.g., the State match does not have to be provided until the end of the project).

2. **Level of Effort** - Not Applicable
3. **Earmarking**

The State makes funding available to subgrantees for their direct costs of requesting, obtaining, and administering public assistance projects according to the following formula: (a) three percent of the subgrantee's first \$100,000 of net eligible project costs; (b) two percent of the subgrantee's next \$900,000 of such costs; (c) one percent of the subgrantee's next \$4 million of such costs; and (d) one-half of one percent of the subgrantee's net eligible costs over \$5 million (44 CFR section 206.228(a)(2)).

L. Reporting

1. Financial Reporting

- a. SF-269, *Financial Status Report* - Not Applicable
- b. SF-270, *Request for Advance or Reimbursement* - Applicable only to those non-Federal entities who do not utilize the Department of Health and Human Services, Payment Management System.
- c. SF-271, *Outlay Report and Request for Reimbursement for Construction Programs* - Not Applicable
- d. SF-272, *Federal Cash Transactions Report* - Applicable
- e. FEMA 20-10 *Financial Status Report (OMB No. 3067-0206)* - This form is used in lieu of the SF-269.

- f. *Public Assistance Program (OMB No. 3067-0151)* - The State is required to submit quarterly financial and progress reports to the RD. The reports should describe the status of those projects on which a final payment of the Federal share has not been made to the State and outline any problems or circumstances expected to result in noncompliance with the approved grant conditions (44 CFR section 206.204(f)). Subgrantee reporting is as required by the State. There is no standard FEMA form; grantees are required to report on all large projects.

Key Line Items - The following line items contain critical information.

All line items containing financial information.

2. **Performance Reporting** - Not Applicable

3. **Special Reporting** - Not Applicable

N. **Special Tests and Provisions**

1. **Project accounting**

Compliance Requirement - For large projects, the State is required to make an accounting to FEMA of eligible costs. Similarly, the subgrantee must make an accounting to the State. In submitting the accounting, the entity is required to certify that reported costs were incurred in 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 were made in accordance with the A-102 Common Rule's payment provisions. For improved and alternate projects, if the total cost of the projects does not equal or exceed the approved eligible costs, then the auditor should expect to see an adjustment to reduce eligible costs (44 CFR section 206.205).

Audit Objective - Determine whether ongoing and completed projects were accounted for in accordance with the required certification.

Suggested Audit Procedures

Projects not completed

- a. Select a sample of ongoing large projects and ascertain if costs submitted for reimbursement were in compliance with the requirements for eligible work under the applicable PW. Testing should consider the differences in the requirements and approvals required of improved and alternate projects.

Completed projects

- b. Select a sample of large projects completed during the audit period and ascertain if the entity's files document the total costs as allowable costs and if the costs are

for allowable activities under the applicable PW. This testing should consider the differences in the requirements and approvals required of improved and alternate projects.

FEDERAL EMERGENCY MANAGEMENT AGENCY

CFDA 83.548 HAZARD MITIGATION GRANT (HMGP)

I. PROGRAM OBJECTIVES

The Hazard Mitigation Grant Program (HMGP) is a cost-shared program administered by the Federal Emergency Management Agency (FEMA). The program's purpose is to mitigate the vulnerability of life and property to future disasters during the recovery and reconstruction process following an actual disaster. To accomplish this purpose, FEMA assists States to avoid or lessen the impact of natural hazards through such strategies as safer building practices and the improvement of existing structures and supporting infrastructure.

II. PROGRAM PROCEDURES

Program Administration

FEMA awards HMGP grants to States, which in turn may award subgrants to other State agencies, local governments, Indian tribal organizations, and other eligible entities. Each State administers the HMGP according to a FEMA-State Agreement, a comprehensive State Hazard Mitigation Plan, and a State HMGP Administration Plan. These plans must be approved by FEMA before funds are awarded to the State. FEMA is responsible for assisting the State, approving or denying project applications, and reviewing the State's quarterly and final reports.

FEMA also provides funding for costs incurred by States and their subgrantees in administering the HMGP. The State receives a statutory administrative cost allowance determined according to a formula based on percentages of the aggregate Federal share of funding provided to subgrantees for hazard mitigation projects. State management costs not covered by the allowance may be allowed with FEMA prior approval. The State awards statutory administrative cost allowances to subgrantees according to a formula based on percentages of the subgrantee's net eligible project costs. If requested, management costs are awarded as a part of the HMGP ceiling.

Eligible Projects

All projects funded under HMGP grants must meet the minimum project criteria at 44 CFR section 206.434(b), and otherwise conform to the State's comprehensive Hazard Mitigation Plan. Within these parameters, they may be of any nature that will result in the protection of life and property from natural hazards. Eligible projects may include, but are not limited to:

1. Acquisition of hazard-prone property and its conversion to open space;
2. Retrofitting of existing buildings and facilities;
3. Elevation of flood-prone structures;
4. Vegetative management and soil stabilization;
5. Infrastructure protection measures;

6. Storm-water management;
7. Minor structural flood control projects; and
8. Post-disaster code enforcement activities.

Application and Award Process

After determining that disaster relief and recovery needs cannot be met with resources available within the State, the Governor requests a Presidential declaration designating the State a disaster area. States have up to 18 months from the date the disaster is declared to review and submit applications. The application must identify the specific mitigation measure(s) for which the State requests funding, and any entities to which the State intends to award subgrants.

In addition to submitting applications and supporting documents to FEMA, the Governor's Authorized Representative appoints a State Hazard Mitigation Officer. This official ensures that all potential applicants are made aware of the assistance available under the HMGP; and provides technical advice and assistance to eligible subgrantees. Indian tribal organizations can receive HMGP assistance as subgrantees of States or apply directly to FEMA. Where FEMA awards a grant directly to an Indian tribal government, the two entities enter into a FEMA-Tribal agreement modeled on the FEMA-State agreement.

Source of Governing Requirements

The HMGP is authorized by section 404 of the Stafford Act (42 USC 5170c). Program regulations are codified at 44 CFR part 206, subpart N (Hazard Mitigation Grant Program).

Availability of Other Program Information

Additional program information is available from the FEMA site located on the Internet at: www.fema.gov/fima. HMGP *Desk Reference* is available at www.fema.gov/mit/hmgrp.

III. COMPLIANCE REQUIREMENTS

In developing the audit procedures to test compliance with the requirements for a Federal program, the auditor should first look to Part 2, Matrix of Compliance Requirements, to identify which of the 14 types of compliance requirements described in Part 3 are applicable and then look to Parts 3 and 4 for the details of the requirements.

A. Activities Allowed or Unallowed

The activities allowed for an HMGP project are those described in the grant application approved by FEMA and the supporting documentation (44 CFR section 206.436(d)).

B. Allowable Costs/Cost Principles

1. Direct Administrative Costs

- a. *Grantee* - A State may use funds made available by FEMA under its administrative cost allowance only for extraordinary direct costs of preparing applications and quarterly reports, and making final audits and related field inspections. Specific cost items allowable for such purposes include overtime pay, per diem and travel expenses for State employees, but not their regular (straight-time) salaries. Cost items not eligible for funding from the State's administrative cost allowance, but still related to managing the program, may be funded from the grant if FEMA gives prior approval. Regular (straight-time) salaries may be funded in this way. In the case of staffing costs for the State's Disaster Field Office, FEMA gives prior approval by approving the State's staffing plan (44 CFR section 206.439(b)).
- b. *Subgrantee* - A subgrantee may use funds made available by the grantee in its administrative cost allowance only for direct costs of requesting, obtaining, and administering its subgrants (44 CFR section 206.439(b)).

2. Indirect Costs

Grantee indirect costs identified in accordance with the Federal cost principles are allowable. Indirect costs at the subgrantee level are unallowable (44 CFR section 206.439(c)).

E. Eligibility

- 1. Eligibility for Individuals** - Not Applicable
- 2. Eligibility of Group of Individuals or Area of Service Delivery** - Not Applicable
- 3. Eligibility for Subrecipients**

The following types of entities are eligible to apply to the State for HMGP subgrants:

- a. State and local governments;
- b. Private non-profit organizations or institutions that own or operate a private non-profit facility as defined at 44 CFR section 206.221(e); and
- c. Tribes or authorized tribal organizations and Alaskan Native villages or organizations (44 CFR section 206.434(a)).

G. Matching, Level of Effort, Earmarking

1. Matching

The Federal and non-Federal shares of a project's cost are established in the State's FEMA-State Agreement. While the non-Federal share may exceed the Federal share, it may never be less than 25 percent of the cost of a project approved for disasters declared after June 10, 1993. (That is, the Federal share may never exceed 75 percent.) The Federal share may not exceed 50 percent for projects approved for disasters declared before that date. Funds made available to a State or subgrantee in its administrative cost allowance are not subject to this requirement (44 CFR section 206.432(c)).

2. Level of Effort - Not Applicable

3. Earmarking

The State makes funding available to subgrantees for their direct costs of requesting, obtaining, and administering HMGP projects according to the following formula: (a) three percent of the subgrantee's first \$100,000 of net eligible project costs; (b) two percent of the subgrantee's next \$900,000 of such costs; (c) one percent of the subgrantee's next \$4 million of such costs; and (d) one-half of one percent of the subgrantee's net eligible project costs over \$5 million. (44 CFR section 206.439(b)(1)(ii))

L. Reporting

1. Financial Reporting

- a. SF-269, *Financial Status Report* - Applicable
- b. SF-270, *Request for Advance or Reimbursement* - Applicable
- c. SF-271, *Outlay Report and Request for Reimbursement for Construction Programs* - Applicable, but not required unless the State has a grant for direct construction.
- d. SF-272, *Federal Cash Transactions Report*- Applicable
- e. FEMA Form 20-10, *Financial Status Report (OMB No. 3067-0206)* - This form may be used in lieu of the SF-269, as determined by the grantee and the FEMA regional office. Once this determination is made, the State uses the selected form for all its reporting on FEMA programs.
- f. FEMA Form 20-18, *Report of Government Property* (OMB No. 3067-0206) - This form is submitted upon completion work under a grant, cooperative agreement, or contract. It provides an inventory of equipment purchased by the grantee or provided by the Federal Government. FEMA and the grantee use this information to determine the disposition of the equipment.

- g. FEMA Form 20-19, *Reconciliation of Grants and Cooperative Agreements* (OMB No. 3067-0206) - This report captures a State's program transactions and related unobligated balances of Federal funds, cash drawdowns, and undrawn cash balances. It is used to reconcile awards, outlays, and drawdowns during and at the completion of a HMGP grant.

Key Line Items - The following line items contain critical information.

B. History of Transactions:

1. Column (b) - *Description of Transaction*
 2. Column (d) - *Total Federal Share*
 3. Column (f) - *Amount (of cash drawdown)*
2. **Performance Reporting** - Not Applicable
3. **Special Reporting** - Not Applicable

IV. Other Information

In the administration of this grant, the State may "subgrant" funds to another part of the State (e.g., a State agency). If the other part of the State receiving the "subgrant" is included in the audit of the State, such as a State-wide audit, then for purposes of determining Type A programs and reporting on the Schedule of Expenditures of Federal awards, these "subgrants" within the single audit reporting entity should be eliminated. However, all Federal awards expended under this program by the State (including a part of the State receiving a "subgrant" from the State) should be subject to the State's OMB Circular A-133 audit.