



Frequently Asked Questions

Management Costs (Interim) Policies for the Hazard Mitigation Grant Program and Public Assistance

Q. Why were these new policies created?

FEMA is working to implement the Disaster Recovery Reform Act (DRRA) provisions. Section 1215 of the DRRA amends Section 324 of the [Robert T. Stafford Disaster Relief and Emergency Assistance Act \(Stafford Act\)](#) to provide funding under the Hazard Mitigation Grant Program (HMGP) and the Public Assistance (PA) program for incurred management costs.

These interim policies also align with the FEMA Administrator's intent to have locally executed, state, tribe or territory managed, and federally supported emergency management activities, and supports FEMA's strategic priorities to reduce complexity and build a culture of preparedness.

Q. What disasters does this apply to?

The *Public Assistance Management Cost (Interim) Policy* applies retroactively to all FEMA emergency and major declarations on or after August 1, 2017.

The *FEMA Hazard Mitigation Grant Program Management Costs (Interim) Policy* applies retroactively to all Major Disaster Declarations on or after August 1, 2017.

Q. Who does this interim policy apply to?

For Major Disaster Declarations, recipients include states, federally-recognized tribes and territories, and subrecipients such as local communities, local governments, tribes and eligible private non-profits.

Q. When will FEMA put out the final policies?

FEMA will evaluate each interim policy as it is implemented and will update Public Assistance management costs in the [Public Assistance Program and Policy Guide](#) and HMGP management costs in the [Hazard Mitigation Assistance Guidance](#) during the next scheduled document updates.

Q. Is there a cost-share associated with management costs?

No, there is no cost-share associated with management costs.

Q. Who do I contact for additional questions about either of these policies?

Hazard Mitigation

- If you are a recipient, contact your FEMA Regional Hazard Mitigation Grant Program representative.
- If you are a subrecipient contact your [State Hazard Mitigation Officer](#).
- If you are a tribal recipient or subrecipient, contact your [FEMA Regional Tribal Liaison](#) or Hazard Mitigation Officer.

Public Assistance

For Public Assistance, your [FEMA Regional point of contact](#) can provide further clarification and talk about funding options moving forward.

Q. Where do I go for more information?

A: You can view all of the DRRA provisions on FEMA.gov. The policy is posted at <https://www.fema.gov/disaster-recovery-reform-act-2018>.

FAQs: Public Assistance Only

Q. What happens to recipients who opted to use the DAC pilot after October 5, 2018 but before the release of this Interim Policy?

All recipients for disasters declared on or after October 5, 2018, will use the interim policies for management costs for management costs.

The *Interim Public Assistance Management Costs Policy* also applies retroactively for disasters or emergencies declared from Aug. 1, 2017 through Oct. 4, 2018. Recipients and subrecipients have 90 days from the signed date of this Interim Policy to choose from the new interim policy, or previous existing options.

For recipients or subrecipients that (as of the date of this Interim Policy) have:	Management Costs	DAC Pilot	Previous DAC Policies
Opted into the DAC Pilot (regardless of whether funding has been obligated).	✓	✓	-
Not opted into the DAC Pilot, but have DAC funding obligated.	✓	-	✓
Not opted into the DAC Pilot and have no DAC funding obligated.	✓	-	-

FAQs: Hazard Mitigation Grant Program Only

Q. Does this policy include HMGP Post Fire grants?

Not at this time. When program guidance and policy HMGP Post Fire grants are developed, management cost updates will be included.

Q. What are the responsibilities of a subrecipient with this new policy?

Subrecipients will have to work with their Hazard Mitigation Officer to apply for management cost funding. As part of the application process, subrecipients will have to justify their need for management cost assistance, provide a cost estimate, and list of activities that will be completed with management cost funding. After an application is approved, a payment request must be submitted to the Hazard Mitigation Officer with adequate documentation to claim management cost expenses.

Q. Why is FEMA withholding funding until closeout?

Closeout is the process by which the recipient and FEMA verify that all work has been completed as approved and that all reimbursed costs were eligible. The recipient has primary responsibility for the closeout tasks associated with both the program and subrecipient requirements. The recipient must conduct final inspections for projects, reconcile subrecipient expenditures, verify and resolve audit findings, obtain final reports from subrecipients, and reconcile the closeout activities of subrecipients with grant award requirements. FEMA is temporarily withholding a small percentage of funding to encourage prompt closeout of projects.

Q. What is an HMPG Administrative Plan? Why do I have to update it?

The administrative plan is a procedural guide that details how the recipient will administer HMGP. Recipients must have an administrative plan approved by FEMA before receiving HMGP funding. Most grant programs ask for a management plan to document that recipients understand all the requirements for managing a federal grant and are prepared to meet those requirements. Because recipients are now required to provide funding to subrecipients, they must include these procedures in their administrative plan.

Q. Where can I learn more about the Enhanced Mitigation Plan and Program Administration by States programs?

To learn more about the mitigation planning program visit: <https://www.fema.gov/hazard-mitigation-planning>. To learn more about Program Administration by States visit: <https://www.fema.gov/media-library/assets/documents/32765>.

Q. How will I be notified when system updates are completed for HMGP?

The Hazard Mitigation Grant Program needs to update its application system to receive applications and requests for payment of management cost funding. When the system is ready to accept applications, FEMA will coordinate with your state or tribal Hazard Mitigation Officer. Your Hazard Mitigation Officer will provide instructions on how to apply for funding. FEMA is working to develop tools to guide you through the process.

Q. I had a major disaster declaration after August 1, 2017. When will I be able to get the retroactive money for the management of my Hazard Mitigation grant?

The Hazard Mitigation Grant Program is working on an implementation plan now. The grant management system, NEMIS, will have a new mechanism to allow application submissions for management costs in early 2019. In the interim, recipients should manually track expenses and save all financial documents to request reimbursement for eligible expenses. Documentation must be provided.

Q. I understand the cap is going to go away, how are we going to reconcile actual costs?

Grantees should be keeping track of all financial documents to request reimbursement. They must document that they have eligible expenses.

Q. What does a management cost award cover?

Management costs are any indirect costs and administrative expenses that are reasonably incurred by a recipient or subrecipient in administering a grant. Activities can include delivery of technical assistance, managing awards (quarterly reporting, closeout and real property), technical monitoring, equipment and staff costs.

Q. What needs to be included in a recipient's request for management cost funding?

Recipients must submit a management cost application if requesting management costs. The application has three parts: a scope of work, cost estimate and schedule. You must describe the activities and specific tasks related managing your award for the entire grant cycle from soliciting and developing subapplications to closing out awards and audits. The application must have a cost estimate describing the costs for which the recipient will use management cost funding. Finally, you must provide a schedule.

Q. How do you define "efficient grants management"?

- Submitting quarterly reports on time;
- Submitting complete applications;
- Finishing projects before the end of the performance period;
- Closing the award in a timely fashion and no more than 180 days from the completion of the project; and
- Ensuring there are trained staff who understand the program and provide technical assistance to the subrecipients.