

PUBLICATION

FEMA Releases "Streamlined" Project Application in 33-Page Guidance Document

Authors: Ernest B. Abbott, Wendy Huff Ellard

April 27, 2020

The President has now approved 56 major disaster declarations under the Stafford Act, one for each of the 50 states, five territories, and Washington, D.C., giving FEMA the authority to reimburse eligible applicants for costs incurred related to the COVID-19 pandemic. FEMA has now issued its Streamlined Project Application that will form the basis for how these entities apply for funding under FEMA's Public Assistance Program. The "simplified" application includes four sections and six supplemental schedules, the applicability of which can be determined using a table provided in FEMA's guidance document. This alert provides a summary of the application process.

- **FEMA COVID-19 Process Overview.** On the same day that FEMA issued its Streamlined Project Application, FEMA also issued a two-page [Public Assistance Applicant Quick Guide: Process Overview](#), providing a flowchart summarizing its process as follows:
- **Management Costs Funding.** FEMA recognizes that its program is more complex than most and provides additional funding to cover the reasonable and necessary costs incurred to administer and manage its awards. Termed "Management Costs," FEMA confirms in the COVID-19 Process Overview that it will apply its 2018 Management Costs Interim Policy to this event which provides for additional funding based on **actual costs** incurred **up to five percent** of an applicant's award amount. The funds are obligated automatically to a Category Z project, but applicants cannot retain excess funding. The funds are subject to a "use it or lose it" review and deobligated if not supported by documentation that eligible expenses were incurred. We previously provided greater detail for this policy in alerts written when the applicable policy was first issued, see [here](#).
- **FEMA Completing and Submitting the COVID-19 Streamlined Project Application.** This [Applicant Quick Guide](#) is a six-page summary of the steps involved in creating a "project" and submission of claimed costs.
 - Confirms that all applications and all documentation must be submitted electronically through FEMA's [Grants Portal](#).
 - Provides screen shots and specific instructions on navigating the Grants Portal.
- **FEMA Guide for Submitting a Public Assistance Funding Request.** FEMA provides for the first time since this event was declared a detailed view of the Streamlined Project Application that will apply to all COVID-19 funding requests. The 33-page [Guide](#) confirms the process is started through filing of a Request for Public Assistance and also confirms the current federal share of funding is set at 75 percent, with each state determining how much of the remaining 25 percent local applicants must fund. Eligible work remains limited to emergency protective measures conducted as a result of the COVID-19 pandemic to address immediate threats to life, public health, and safety.
- **FEMA Recommended Project Parameters.** All FEMA Public Assistance Program funding is obligated, documented, and paid according to a "Project." FEMA advises applicants to consider

submitting one consolidated project request to reduce funding delays and maximize the applicant's administrative flexibilities to track costs. This should however be balanced by the applicant's individual needs and structure. FEMA allows separate projects for distinct activities, especially large efforts that need priority consideration, perhaps before all documentation can be compiled for the overall effort. Examples include testing sites and activities to support adding surge capacity. Consideration should also be given to how an applicant maintains its financial records. Many applicants for this assistance have multiple locations, facilities, or campuses. If accounting is tracked separately, or if separate tracking of documentation and funding is desirable, separate project submissions may be attractive.

- **Required Base Information.** Applicants will need the following information regarding their activities and costs to complete each project:
 - A description of the activities including when, where, and by whom the activities were completed or will be completed.
 - A summary of how much the activities cost, including costs associated with contract, labor, equipment, supply, material, and other cost types.
 - Documentation supporting the activities completed and costs claimed, as detailed within the Project Application Guide.
 - Certification of compliance with federal, state, tribal, territorial, and local laws and regulations.

- **The Project Application.** The project application has four sections and six supplemental schedules. Sections I, II, III, and IV of the base application are required for all projects.
 - Section I – Project Application Information – Basic information including ability to designate a "Project Application Title."
 - Section II – Scope of Work – Includes check boxes to select all work types claimed.
 - Section III – Cost and Work Status Information – Summary information of the costs incurred/expected including cost total as indicated by the applicable schedule.
 - Section IV – Project Certifications – Includes duplication of benefits certification and general activity and cost certifications.

- **Applicable Schedules.** FEMA provides the below table as a guide to the types of projects available and the applicable schedules.

	Funding Request Type	Work Status	Cost Basis	Schedules Required					
				A	B	C	D	EZ	F*
Less than \$131,100	Small	Any	Any					X	X
Equal to or greater than \$131,100	Large Expedited	Any	Applicant-Provided Information	X					X
	Large Regular	Complete	Actual Costs		X		X		X

		In-progress	Actual Costs & Applicant-Provided Information			X	X		X
		Not started	Applicant-Provided Information			X	X		X

- **Schedule A – Expedited Funding.** This type project/schedule is available and required for large projects that can be carved out of an applicant's overall claim and submitted for expedited funding. An applicant may request approval for expedited funding only if it has an immediate need for funding to continue life-saving emergency protective measures. If approved, the applicant will be awarded 50 percent of the FEMA-confirmed project cost based on initial documentation. However, the applicant will then be required to provide all information, including all documentation to support actual costs incurred, to support the initial 50 percent of funding before receiving any additional funding. Notably, FEMA has advised in its specific Expedited Funding guidance that temporary surge facilities may not be appropriate for expedited funding. FEMA will also require confirmation that the applicant has not and will not request funding for these activities from HHS/CDC or other federal agencies.
- **Schedule B – Completed Work Estimate.** Applicants must complete this schedule if the applicant (1) has completed the activities reported in Section II; (2) has documentation available to support the actual costs; and (3) the cost of the activities is over \$131,100. For more detail on requirements, see below in Schedule C.
- **Schedule C – In Progress Work Estimate.** Applicants must complete this schedule if the applicant (1) has not started or is in the process of completing the activities reported in Section II; and (2) the cost of the activities reported in Section II is over \$131,100. It is anticipated that most projects submitted for this event will require completion of Schedule C, as in progress work, as the public emergency continues and most entities continue to incur costs. FEMA requires reporting of costs incurred to-date and a budget estimate for expected future additional costs. The budget should be created using standard procedures that you would use absent federal funding. However, the estimate should be broken down by the resources necessary to complete the work and based on the categories to be used by FEMA to evaluate the costs (contracts, labor, equipment, materials and supplies, and other costs).
- **Schedule D – Large Project Eligibility Questions.** This is where most of an applicant's narrative responses will be entered. It is critical that information here supports your eligibility for funding. Questions include documentation of legal responsibility for the work/costs claimed, duplication of benefits concerns, disposition compliance, and others.
- **Schedule F – Environmental and Historic Preservation Questions.** This includes many of the questions applicable to FEMA's more common projects and is typically known as Special Consideration questions. For this event, FEMA requires information on treatment of human remains, medical waste disposal, and decontamination, among other special situation costs that may apply, especially in the event that ground disturbance is implicated in the work.

- **Schedule EZ – For Small Projects.** Those projects expected to be less than the current small project threshold, which is \$131,100, can be submitted using only the project application and Schedule EZ and F. Small projects are generally funded based on the initial approved estimate of the eligible work and require less documentation/audit.
- **Costs Support and Tracking.** FEMA provides guidance on Schedules B and C for how applicants will be required to submit their costs. It is recommended that you begin tracking costs and documentation according to the noted categories.
- **Contract Costs.** Documentation of contract costs will require support for all contracting processes, including a certification that all are compliant with applicable federal, state, and internal requirements. See [here](#) for a past webinar providing a summary of the applicable requirements including a helpful [checklist](#)¹ to aid in the review process. FEMA requires documentation to support all contracts costs as follows:
 - Copies of contracts, change orders, and summary of invoices
 - Cost or price analysis (for contracts above \$250,000, the federal simplified acquisition threshold)
 - The applicant's procurement policy
 - Other procurement documents supporting the reasonableness of costs (for example, requests for proposals, bids, selection process, or justification for non-competitive procurement)
 - Documentation that substantiates a high degree of contractor oversight, such as daily or weekly logs, records of performance meetings (required for time and materials contracts)
- **Labor Costs.** FEMA requires applicants to complete FEMA Form 009-0-123 Force Account Labor Summary and FEMA Form 009-0-128 Applicants Benefit Calculation Worksheet or provide all information contained therein. Additional requirements include:
 - Justification for any standby time claimed
 - Labor pay policy (must cover each employee type used, for example part time, full time, and temporary)
 - National Guard pay policy (required for National Guard)
 - Mutual aid agreement (required for mutual aid labor)
 - Timesheets (please provide either (1) a summary list of all your timesheets, which FEMA will sample and request copies of a limited number of time sheets; or (2) a sample set of timesheets and a detailed explanation of the sampling methodology you used to select the representative sample)
 - Daily logs or activity reports (please provide either (1) a summary list of all your logs or reports, which FEMA will sample and request copies of a limited number of logs or reports; or (2) a sample set of logs or reports and a detailed explanation of the sampling methodology you used to select the representative sample)
- **Equipment.** FEMA requires applicants to complete FEMA Form 009-0-127 Force Account Equipment Summary and FEMA Form 009-0-125 Rented Equipment Summary Record or provide all information contained therein. Additional information required includes a statement as to how the equipment was required and support for the rate used to calculate any claimed costs.
- **Materials and Supplies.** FEMA requires applicants to complete FEMA Form 009-0-124 Materials Summary Record or provide all information contained therein and also provide information on how the materials and supplies were acquired.

If you have any questions, please contact one of the authors or any member of Baker Donelson's [Disaster Recovery Team](#). Also, visit the [Coronavirus \(COVID-19\): What You Need to Know](#) information page on our website.

¹ The simplified acquisition threshold is now \$250,000.