

Public Assistance Simplified Procedures Policy Webinar - Frequently Asked Questions

On January 31 thru February 3, 2023, FEMA hosted webinars to explain the updated Public Assistance (PA) Simplified Procedures policy. The policy simplifies implementation of the Public Assistance program to support rapid recovery for applicants.

In August 2022, FEMA published a [final rule](#) to increase the small project maximum for the agency's program to \$1 million to reduce the administrative burden on state, local, tribal, or territorial governments (SLTT) and private non-profits receiving FEMA financial grants following a disaster. A small project has costs below the threshold, while a large project has costs equal to or above the \$1 million threshold.

Frequently Asked Questions

Question 1: If the \$1 million threshold change is retroactive to March of 2020, which parts of the Simplified Procedures are in effect (if any) besides the \$1 million change for disasters with unobligated projects dating back to March of 2020?

Answer: The \$1 million threshold applies to projects that have not been obligated as of Aug. 3, 2022, for major disasters and emergencies declared on or after March 13, 2020. So, starting with incidents declared on or after March 13, 2020 to Jan. 5, 2023, any project under \$1 million which is still not obligated is considered a small project and the small project guidance in Public Assistance Program and Policy Guide (PAPPG) applies.

The Simplified Procedures Policy applies to incidents declared on or after the date of issuance of the policy: Jan. 6, 2023.

Question 2: When FEMA states that applicants should keep "source documentation," is this referencing the list of documentation in the policy attachment, or possibly documentation beyond that list?

Answer: Source documentation refers to all supporting documentation necessary to support the final cost estimates. For example, time sheets, SLTT policies, labor costs, contracting costs, etc.

Question 3: With the new procedure, FEMA no longer requires documentation such as timesheets. However, FEMA Summary Sheets are still required and these specifically ask for this type of information: "Who did what, where did



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they do it, when did they do it? Is FEMA going to continue to use the Summary Sheets or eliminate these to lean more toward accepting estimates?

Answer: Per the policy, applicants will not be required to submit detailed documentation. The team is working on new updated forms that will be available in Grant Portal (GP) and will be addressed in more detail at the upcoming trainings that will be scheduled.

Question 4: How long should a project source documentation be retained?

Answer: All source documentation should be retained for a minimum of three years after the submission of the final expenditure report and in accordance with 2 CFR 200.334. Documentation may be required to be retained longer in the event of litigation, audit, or inquiry, etc.

Question 5: How does this change affect the Net Small Project Overrun (NSPO) process? Will that still be the same or will it be changing in any way?

Answer: In general, the process remains the same as outlined in the PAPPG. This policy states "The Subrecipient must submit request in the form of an appeal within 60 days of the latest **work completion date** of all its Small Projects. If all the Subrecipient's Small Projects have not been obligated at that time, then the Subrecipient has 60 days from the date FEMA obligated its last Small Project to submit an appeal. Applicants will have to work with the FEMA POC to determine alternatives in the event final invoices are not forthcoming in a timely manner."

***Reminder: The work completion date** is the date the Subrecipient completes all work associated with the approved scope of work, including meeting all compliance requirements. It does not include administrative actions after the actual project scope of work has been completed such as paying invoices, reconciling insurance, warranty periods, compiling and submitting documentation, or other grant management activities.

Question 6: How does this change affect 428 projects?

Answer: If a 428 project that is under \$1 million has already been obligated, this project will be processed as a 428 project. If a 428 project under \$1 million is in development, this project will now be processed as a small project.

Question 7: If FEMA estimates an amount of insurance and insurance does not pay that much, will additional funds be available for small projects?

Answer: Yes, insurance is one of the reasons that a small project may be adjusted. If actual insurance proceeds differ from the estimate, a project will be adjusted to reflect this, which means either additional funding may be obligated if proceeds were less than estimated, or funding may be deducted if proceeds were more than estimated.

Question 8: Can you please explain certified equity?

Answer: The policy addresses equity on page 5, Section E. Non-Discrimination [and Equity] in Federally Assisted Programs. As part of the certification for a project, the applicant is certifying that it also complied with all federal civil rights laws and authorities that prohibit discrimination and require impartial and equitable delivery of disaster services and activities.

Question 9: How is FEMA anticipating handling the historical need for applicants to version Project Worksheets (PWs) based on information that was not known at the time of grant obligation?

Answer: The reasons that a small project amount may be adjusted are covered on page 8, Section J. Post Award Change(s) in Scope or Costs. The policy lists eight specific reasons, but as it relates to this question, there are three potential reasons for adjustment:

- FEMA approves a change in scope of work, including any additional hazard mitigation.
- Errors or omissions.
- Hidden damage.

Question 10: Is it FEMA's position that small projects do not require adjustment for disposition of materials/supplies at closeout? The policy addresses the intent to avoid excess supplies during the development of the project estimate, but it is possible that a small project may potentially end up with unused supplies exceeding \$5,000 in value at closeout. Is it FEMA's position that a small project does not require adjustment for supplies disposition at closeout?

Answer: FEMA will not reduce small projects for disposition of unused supplies.

Contact Us

If you have any questions, please contact FEMA Office of External Affairs:

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