



Disaster Recovery Public Assistance (PA) Financial Administration Training

FY 2023 – 2024

Course Overview

This course is broken into 3 modules highlighting the pre-disaster, post-disaster, and long-term recovery aspects of managing the Public Assistance process at the local government level. It was built to support the North Carolina Association of Regional Councils of Government (NCARCOG) in service of local government disaster preparedness activities.

Funding for this training was provided by the State of North Carolina Office of State Budget and Management in conjunction with the Department of Public Safety and the Office of Emergency Management.



Module 3: Long-Term Recovery

Unit 0: Welcome and Administrative Items



Welcome to the Course

This course builds local government capacity to effectively secure FEMA Public Assistance (PA) disaster recovery funds and ensure those funds address local and regional priorities.

- Provides local government staff with the tools to build and/or maintain the necessary financial systems and staff support needed to administer and report on the utilization of disaster recovery funds efficiently and effectively.
- Allows for the local government staff in a pre-disaster setting to incorporate recovery staffing and business practices into day-to-day financial administration operations.
- Ensures federal, state and local taxpayer dollars invested into public assets are properly protected and managed when a FEMA declared disaster event occurs.



Introductions



- Sponsor introductions
- Instructor introductions
- Supporting staff introductions
- Participant introductions

Administrative Orientation



Emergency Exits



Inclement Weather



Breaks & Lunch



Restrooms



Classroom Etiquette



Phone Etiquette



Communication Rules

Module 3: Long-Term Recovery Overview

- Unit 0: Welcome and Administrative Items
- Unit 12: Closeout of Existing Projects
- Unit 13: Insurance
- Unit 14: Donated Resources
- Module 3 Summary
- Experiential Learning Activity



Module 3 Terminal Learning Objective

Terminal Learning Objective

By the end of this Module, participants will be able to explain the closeout process for Public Assistance projects, outline how insurance coverage affects the amount of Public Assistance funding received, and plan for the use of donated resources after a disaster.



Module 3 Key Takeaways

Enabling Learning Objectives:

- Participants will be able to facilitate closeout of existing projects.
- Participants will be able to address local governments' insurance coverage/needs appropriately.
- Participants will be able to understand how donated resources are used to assist with disaster response, and the monetary value represented by donated resources in disaster recovery.



Module 3: Long-Term Recovery

Unit 12: 404 Mitigation and Project Closeout



Module 3: Unit 12 Overview

- 404 Mitigation
- Project Reconciliation and Closeout
- Closeout for Small Projects
- Adjusting Funding for Small Projects
- Closeout for Large Projects
- Permanent Work Project Closeout: Alternative Procedures
- Federal vs State Closeout Procedures
- Unit 12 Summary



Hazard Mitigation: 404 Funding



- Provides funding for mitigation measures to prevent or reduce damage caused by future disasters
- Funding available to the entire state

404 Hazard Mitigation

Available for entire state, even counties outside of declared areas



Funds mitigation measures to provide protection to facilities



Funded under the Hazard Mitigation Grant Program



Knowledge Check 3.1

True or False: 404 Mitigation is only available to declared disaster areas.

False



Project Reconciliation and Closeout

Reconciliation takes place when FEMA and the Recipient ensure that all administrative actions related to the PA Program are complete and all program funds related to the disaster have been reconciled.

To initiate closeout, the Subrecipient notifies the Recipient that projects are complete.



**CASE
CLOSED**

Closeout for Small Projects



Small Projects (projects less than \$1,037,000) are closed out as a group.



Prior to closing out Small Projects, ensure approved Scopes of Work are completed.



FEMA may adjust amount on Small Projects if approved work is not complete or contains errors.



Submit Small Project Completion Certification (P4) within 90 days of the completion of the last project.

Adjusting Funding for Small Projects



- FEMA only adjusts the approved amount on individual Small Projects in certain circumstances and only specific cost items that are affected by those conditions will be adjusted.
- When needed, the Subrecipient must request additional funding through a Net Small Project Overrun (NSPO) appeal process within 60 days of completion of the last Small Project.

Closeout for Large Projects



Large Projects (projects over \$1,037,000) are closed out individually, as completed.



Submit completion certification for each project within 90 days of the completion date or deadline.



Final eligible amount for a Large Project is the documented cost of the approved Scope of Work.



Closeout packages documentation allows FEMA to validate work performance and associate cost.

Knowledge Check 3.2

Which is true about Small Project AND Large Project closeout?

- A. Small Projects can be closed out as a group, while Large Projects are closed out individually.
- B. Both project types require a final inspection to be performed before completion.
- C. Both project types require a Completion Certification within 90 days of completion.
- D. Both A and C
- E. Both A and B



Permanent Work Project Closeout: Alternative Procedures

Work for Alternative Procedures Projects must be completed by the end of the latest performance period.



All work must abide by FEMA's guidelines and costs must be within approved Scope of Work.



A completion certification must be submitted within 180 days including all applicable documentation.



Federal vs State Project Closeout Procedures



- Once the Subrecipient validates that all projects are completed, the Recipient will work with FEMA to close out the Subrecipient.
- The Subrecipient should notify the Recipient immediately as it completes each Large Project and when it has completed its last Small Project.

Project Closeout vs. Disaster Closeout

- Each project gets closed out separately (with the exception of grouping Small Projects). Disaster Closeout is done at the state level and is the final closeout of the DR between FEMA and the state after all projects have been completed.

Applicants have 90 days after work is completed to submit all documentation!



Revisiting Documentation

Have an internal plan for document sharing

Consider a system that determines access management

Any field documentation should be uploaded to shared organizational drives

Think about how different departments report relevant information

Files should be organized in a clear file system in the drive

Identify the disaster team and appoint back-up points of contact

Retain all your documentation until you are absolutely *sure* that you no longer need it. Check with your NCEM or FEMA contact!



Module 3: Unit 12 Summary

- How 404 Mitigation funds are used
- How FEMA verifies project information before the closeout process
- When project reconciliation takes place
- Closeout procedures for Small Projects
- How to adjust funding for individual Small Projects
- Closeout procedures for Large Projects
- Closeout procedures for Alternative Procedures Projects
- The difference in the role of FEMA and the state during closeout



Module 3: Long-Term Recovery

Unit 13: Insurance



Module 3: Unit 13 Overview

- Insurance Requirements
- NC State-Specific Insurance Requirements
- Duplication of Benefits
- Insurance Proceeds
- Maintaining Insurance
- National Flood Insurance Program
- Insurance Risks
- Unit 13 Summary



Insurance Requirements

Subrecipients must obtain and maintain insurance to protect the facility against future disaster hazards.



The Subrecipient must insure facilities with reasonably adequate insurance.



Insurance not required on facilities with \$5,000 or less in eligible costs (prior to any reductions).



No greater insurance required than is reasonably available, adequate, or necessary.

NC State-Specific Insurance

Two state-specific plans were created to provide an adequate market for essential property insurance, defined by the NC General Statutes as the “Market of Last Resort.” It is highly recommended that property owners attempt to obtain insurance in the standard market.

North Carolina Joint Underwriting Association (NCJUA) offers:

Fair Access to Insurance Requirements (FAIR PLAN)

North Carolina Insurance Underwriting Association (NCIUA) offers:

Coastal Property Insurance Pool (CPIP)

These are not facilities of NC state government, but their Plans of Operation are subject to review and approval by the North Carolina Commissioner of Insurance.



NCJUA - Fair Access to Insurance Requirements (FAIR PLAN)

- Insurance products offered: Commercial and Dwelling Fire
 - All Territories except for Beach Area*
 - Coverage includes windstorm, fire, lightning, vandalism, and malicious mischief.
- Max commercial combined limit is \$2.5 million; capped at a \$6 million aggregate depending on fire wall divisions of the structure insured.
- If the coverage required exceeds the maximum building limit of the FAIR Plan, then excess coverage must be purchased to the full value of the property prior to the FAIR Plan providing the primary coverage.

More info: https://www.ncjua-nciua.org/html/svcs_cov.htm and 800-662-7048

*Defined as the areas south and east of the inland waterway including the Outer Banks



NCIUA - Coastal Property Insurance Pool (CPIP)

- Insurance products offered:
 - Commercial and Dwelling Fire (Beach Territories only)
 - Commercial and Dwelling Windstorm and Hail (Beach and Coastal Territories)
 - Crime (Beach Territories only)
- Coverage includes windstorm, fire, lightning, vandalism, and malicious mischief.
- Eligibility for a Windstorm and Hail policy requires an active primary coverage policy provided by an admitted carrier in NC that has excluded windstorm. CPIP then provides the remaining coverage.
- Max commercial combined limit is \$3 million; capped at a \$6 million aggregate depending on fire wall divisions of the structure insured.
- If the coverage required exceeds the maximum building limit of the CPIP, then excess coverage above the limit provided must be purchased to the full value of the property prior to the issuance of a primary policy by CPIP.

More info: https://www.ncjua-nciua.org/html/svcs_cov.htm and 800-662-7048



Duplication of Benefits



- FEMA is legally prohibited from duplicating benefits from other sources.
- FEMA requires the Subrecipient to pursue claims to recover insurance proceeds that it is entitled to receive from its insurers.
- If the Subrecipient receives funding from another source for the same work that FEMA funded, FEMA reduces the eligible cost or de-obligates funding to prevent a duplication of benefits.

FEMA should be treated as a last resort for funds!

Knowledge Check 3.3

Which of the following is an insurance requirement to receive Public Assistance funding?

- A. Insurance is not required on facilities with \$7,000 or less in eligible costs.
- B. Facilities must be insured with insurance reasonably adequate and available to protect against future loss.
- C. Obtaining and maintaining insurance on facilities is the decision of the Subrecipient.
- D. State insurance requirements can waive federal insurance requirements.



Insurance Proceeds

To prevent duplicate PA funding, FEMA reduces eligible costs by the amount of actual or anticipated insurance proceeds.

IF

Subrecipient receives insurance proceeds for ineligible losses

Subrecipient expends costs to pursue its insurance claim

Maintaining Insurance

- If required insurance is not maintained from a previous disaster, the facility is ineligible for PA funding in a subsequent disaster.
- When the Subrecipient receives PA funding for a facility damaged by the same hazard in a subsequent disaster, FEMA reduces funding by the amount of insurance required from the previous disaster.
- When may the Subrecipient request FEMA modify the insurance requirement?
 - The required insurance is not readily available
 - An alternative to the insurance requirements provides adequate protection
 - The required insurance is not necessary to protect against future loss



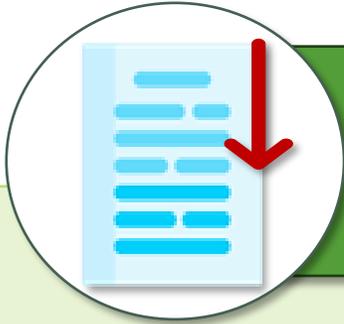
National Flood Insurance Program

Discussion topics:

- Communities' requirements for National Flood Insurance Program participation
- Ordinance requirements for buildings to be elevated or floodproofed at or above base flood elevation (BFE)
- Work required for compliance is eligible for PA Funding if it meets eligibility criteria
- Cost to repair a facility and eligible cost caps for replacement
- More information is available at:
<https://flood.nc.gov/ncflood/ncfip.html>

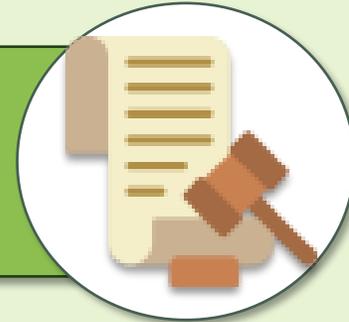


Insurance Risks



Being Underinsured

Litigation



Insurance Companies

Module 3: Unit 13 Summary

- Insurance requirements to receive Public Assistance funding
- NC insurance information
- Duplication of Benefits
- Insurance proceeds and how to prevent Duplication of Benefits
- Requirements to obtain and maintain insurance
- Details of the National Flood Insurance Program
- Insurance risks



Module 3: Long-Term Recovery

Unit 14: Donated Resources



Module 3: Unit 14 Overview

- Eligible Donated Resources
- Unit 14 Summary



Eligible Donated Resources



Value of donated resources can be used to offset the non-federal cost share of projects

Eligible donated resources: equipment, materials, food, volunteer labor (only recognized by FEMA)

Ineligible donated resources: from a federal source, used for ineligible work, used as an offset to another award

More information can be found on FEMA's *Donated Resources Fact Sheet*



Module 3: Unit 14 Summary

- The basics of donated resources



Module 3: Long-Term Recovery Summary

- How 404 Mitigation funds are used
- The closeout process and procedures for different types of projects
- When project reconciliation takes place
- How to adjust funding for individual Small Projects
- How carried insurance affects the PA process
- Requirements to obtain and maintain insurance
- Overview of the National Flood Insurance Program
- Insurance risks
- Donated resources overview



Module 3 Experiential Learning Activity

Scenario

You are a government employee in the fictional town of Paro, North Carolina. After Hurricane Omega, Paro continues to recover from the significant damage caused by the storm.

You have been asked to review a draft insurance allocation plan outlining the costs associated with repairing and improving the Paro East Library.



Module 3 Experiential Learning Activity

Instructions

In your group, review the provided insurance allocation plan. Identify any errors or areas of concern that you would provide feedback to town leadership on and provide a justification for any proposed changes.



Wrap-Up and Questions





**SOUTHWESTERN COMMISSION
COUNCIL OF GOVERNMENTS**

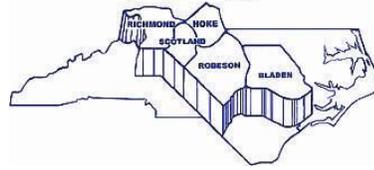


**CENTRALINA
REGIONAL COUNCIL**



**UPPER COASTAL PLAIN
COUNCIL OF GOVERNMENTS**

Lumber River Council of Governments



**CENTRAL PINES
REGIONAL COUNCIL**



**PIEDMONT TRIAD
REGIONAL COUNCIL**



WPCOG
Creative Regional Solutions Since 1968



Contact your regional Council of Government to schedule training and to access more information about Public Assistance!



**Kerr-Tar
Regional Council
Of Governments**



**MID-CAROLINA
REGIONAL COUNCIL**
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