

DMVA PROGRAM 26 – DR-4369 DECEMBER STORM KENAI PENINSULA BOROUGH PUBLIC ASSISTANCE PROGRAM

I. PROGRAM OBJECTIVES

The objective of the Public Assistance Program is to aid local governments and selected non-profit organizations to reduce suffering and hardship resulting from a disaster or from emergencies declared by the Governor. The DR-4369 KPB disaster was declared July 01, 2017. Assistance Listing Number 97.036.

II. PROGRAM PROCEDURES

Following the Governor's declaration of a disaster, the Department of Military and Veterans' Affairs, Division of Homeland Security and Emergency Management (DHS & EM) provides grants to local government and non-profit entities, which may use the funds to restore disaster related damages to pre-disaster conditions. If the disaster is within the State's capabilities, funds are made available from the Disaster Relief Fund (AS 26.23) in the amount determined by DHS&EM through a damage assessment process. If the disaster is declared by the President, federal funds are made available on a 75/25%. The public assistance portions of some of these federal programs may be modified to 100% cost sharing basis. FEMA may require sub-awardees to contribute a local match cost share. This will be annotated in the Disaster Administrative Plans for each event. Communities will receive reimbursement funds in a federally declared disaster after the completion and approval of a project application, project worksheet, and submission of necessary documents.

III. COMPLIANCE REQUIREMENTS AND SUGGESTED AUDIT PROCEDURES

A. TYPES OF SERVICES ALLOWED AND UNALLOWED -

1. **Compliance Requirements:** Disaster assistance funds can be expended only on allowable activities and scope of work described on the Project Worksheets (PW) and as approved in the FEMA/State agreement. Federal disaster assistance funds cannot be used for expenditures funded by other Federal Programs.

Suggested Audit Procedures: Review approved grant agreement, review Project Worksheets, test expenditure records, and determine the nature of expenditures and the sources of funding for disaster-related expenditures.

2. **Compliance Requirement:** Funds from insurance settlements, salvage, or other sources for specific losses must be deducted by the grantee from its claim.

Suggested Audit Procedures:

- a) Review insurance policies and other sources likely to reveal the existence of insurance claims, and similar receipts.
- b) Test financial records to determine the way such receipts were processed.

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3. **Compliance Requirement:** Funds approved for improved projects can only be used as contribution for the construction of larger or improved facilities that restore at least the pre-disaster capacity of the damaged or destroyed facilities. State approval must be obtained, and funding for an improved project is limited up-to the approved estimate of the eligible costs. (If the approved estimate is \$100,000 and the applicant chooses to rebuild an improved facility which costs \$150,000, then FEMA/State share is based on the original \$100,000 estimate. However, if the actual cost is less than the approved estimate amount, FEMA/State adjustment is required).

Suggested Audit Procedures: Review a sample of PWs for damaged or destroyed facilities; and ascertain amount approved for improved projects and costs for new facilities.

4. **Compliance Requirement:** As a condition of receiving assistance for restoration of certain facilities, grantees may be required to obtain and maintain specific types of insurance.

Suggested Audit Procedure: Review a sample of those projects for which insurance commitments were required; and determine whether the type and extent of insurance required was obtained and whether it is being maintained.

B. **ELIGIBILITY** - The auditor is not expected to verify eligibility.

C. **MATCHING, LEVEL OF EFFORT AND/OR EARMARKING REQUIREMENTS -**

Compliance Requirement: The State may be required to provide a match in a federal declaration.

Suggested Audit Procedure: Review of the Federal-State agreement to determine the cost-sharing agreement.

D. **REPORTING REQUIREMENTS -**

Compliance Requirement: The recipients are required to submit quarterly reports, final narrative reports, and copies of documentation as part of the payment process.

Suggested Audit Procedure: Review submitted documentation for completeness, accuracy, and timeliness of submission.

E. **SPECIAL TESTS AND PROVISIONS -**

Compliance Requirement: At the close of the project, the applicant must have completed all actions described in the approved project scope of work.

Suggested Audit Procedure: Perform review of final inspection forms prepared by DHS&EM at the completion of a project to determine if an inspection was made (when required) and the project scope of work completed.