

DMVA PROGRAM 35 – DR-4638 OCTOBER SOUTHCENTRAL STORM HAZARD MITIGATION GRANT PROGRAM

I. **PROGRAM OBJECTIVES**

The objective of the Hazard Mitigation Grant Program (HMGP) is to provide mitigation grant assistance to local, state and tribal governments, and selected non-profit organizations to reduce the risk to individuals and property from natural hazards before or after a disaster is declared by the Governor and President. The DR-4638 SCS disaster was declared Jan 15, 2022. Assistance Listing Number 97.039.

II. **PROGRAM PROCEDURES**

Following the Governor and President Declaration of a disaster, the Department of Military and Veterans' Affairs, Division of Homeland Security and Emergency Management (DHS&EM) offers HMGP funding available statewide on a competitive basis to local, state and tribal governments, and select non-profit entities. If the disaster is declared by the President, federal funds are made available on a 90/10% cost sharing basis. Some of this federal program 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 application and as approved in the FEMA/State agreement. Federal disaster assistance funds cannot be used for expenditures funded by other Federal Programs (unless otherwise specified).

Suggested Audit Procedures: Review approved DHS&EM Obligor Award Document (OAD), review Project Application, 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.

DMVA PROGRAM 35 – DR-4638 OCTOBER SOUTHCENTRAL STORM HAZARD MITIGATION GRANT PROGRAM

3. **Compliance Requirement:** As a condition of receiving assistance for mitigation of certain facilities, sub-recipients may be required to obtain and maintain specific types of National Flood Insurance Program (NFIP) insurance.

Suggested Audit Procedure: Review a sample of those projects for which insurance commitments were required; and determine whether the type of 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 the 25% 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: Recipients and sub-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.