DMVA PROGRAM 41 – DR-4661 LOWELL POINT LANDSLIDE 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-4661 LPL disaster was declared August 02, 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 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 Obligating 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.

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 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.