

DMVA PROGRAM 10 – AK264 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 AK264 KPB disaster was declared July 01, 2018. 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. This will be annotated in the Disaster Administrative Plans for each event. Communities will receive funds in either a State or Federally declared disaster after the completion and approval of a project application, project worksheet, and submission of necessary documents. There is no required sub-recipient match within this award.

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.
3. **Compliance Requirement:** Funds approved for improved projects can only be used as contribution to 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 to the approved estimate of the eligible costs.

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(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, sub-recipients 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. **REPORTING REQUIREMENTS** -

Compliance Requirement: The sub-recipients are required to submit all progress reports, final narrative reports, and copies of documentation as part of the reimbursement process as outlined within the Project Worksheet agreement.

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

D. **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.