



Hazard Mitigation Grant Program (HMGP) Phases for State, Tribal, Territory, and Local Applicants

Background

This series of seven Project Tips provide an overview, a checklist, and resources applicable to each phase of the project life cycle for state, tribal, and local government applications. This Project Tip focuses on Phase 1: Project Scoping.



Phase 1: Project Scoping

The scoping process includes the identification and evaluation of technical feasibility, cost review, cost-effectiveness, and environmental and cultural resource considerations. Based on potential impacts to environmental and cultural resources, the project may need to be altered to mitigate impacts. The scoping process results in the development of a preferred project alternative that is then documented through the preparation of the application or subapplication.

Applicants and subapplicants should consider the whole range of program requirements at the beginning stages of project development. The incorporation of these considerations into the scoping process can increase the efficiency of program review and ensure that all HMGP program requirements are met.

To be eligible for funding under the Hazard Mitigation Grant Program (HMGP), proposed measures must meet the minimum project criteria under Title 44 of the Code of Federal Regulations (CFR) Section 206.434(b). These criteria are designed to ensure that the most appropriate projects are selected for funding.

Projects may be of any nature that will result in protection of public or private property from natural hazards. Project types such as the following may be eligible and this is not an inclusive list:

- Acquisition of hazard-prone property and conversion to open space
- Retrofitting existing buildings and facilities
- Elevation of flood-prone structures
- Vegetative management / soil stabilization
- Infrastructure protection measures
- Stormwater management
- Minor structural flood control projects
- Post-disaster code enforcement activities

Action Items

Addressing the following HMA program requirements at the earliest stage possible in the decision-making process can lead to enhanced project scoping and development as well as prevent delays later. Considering a wide array of factors in project scoping and development at the earliest time in the HMA application cycle allows the applicant and subapplicant the best possible opportunity to develop a viable project and plan application and will expedite FEMA review.

During the project scoping phase, responsibilities include:

- Develop alternative solutions to the problem
- Scope the alternatives
 - Considerations should include:
 - Mitigation planning
 - Technical feasibility and effectiveness
 - Cost
 - Cost-effectiveness
 - Environmental and cultural resource effects
- Identify mitigation activities that best meet HMGP program requirements
- Develop project



Phase 2: Project Development

The project scoping process facilitates project development and can even be considered the initial stage of project development. State, Federally-recognized tribe, territory, and local governments that actively participate in and document their project scoping processes put themselves in a better position for success during project development. The information gathered in the scoping process serves as the basis for the development of a more detailed mitigation activity.

During the project development process, the subapplicant may encounter project considerations, such as technical feasibility, cost-effectiveness, and Environmental Planning and Historic Preservation (EHP) requirements, that necessitate refining or adjusting the mitigation activity. When these situations are encountered, the reason for the refinement or re-scoping should be fully documented and included with the subapplication.

All projects must meet the following five criteria to be considered for funding:

- Conforms with State Hazard Mitigation Plan
- Provides beneficial impact on the designated disaster area
- Conforms with environmental laws and regulations
- Solves a problem independently or constitutes a functional portion of a solution
- Is cost-effective

Action Items

States may provide potential applicants with a state application form to encourage complete applications in a uniform format. Ten sections in the project application must be completed by the applicant:

- Applicant Information
- Summary Project Information
- Description of the Problem
- Description of Applicant's Decision-Making Process
- Project Description
- Project Cost Estimate and Match Source
- Maintenance Assurance
- Cost-Effectiveness (Risk) Information
- Environmental and Historical Consideration
- Attachments of Supporting Documentation



Phase 3: Project Submission

Applications for HMGP are processed through the National Emergency Management Information System (NEMIS). Applicants must use the Application Development module of NEMIS to create project applications and submit them to the appropriate FEMA Region in digital format for the relevant disaster. The applicant selects and prioritizes subapplications and submits them to FEMA in digital format via NEMIS and in hard copy format.

The applicant must submit all HMGP subapplications to FEMA within 12 months of the date of the Presidential Major Disaster Declaration. Upon written request and justification from the recipient, FEMA may extend the application submission timeline in 30- to 90-day increments not to exceed a total extension of 180 days, in the event of extraordinary conditions. For additional information, see 44 CFR Section 206.436. Additional time may be available based on meeting the criteria of the Stafford Act, Section 301. To qualify, the request must justify how the event for which the additional time is needed created the situation in which the applicant cannot meet the regulatory administrative deadline.

FEMA will not direct the applicant on how to submit its applications. The applicant may submit a single application representing all subapplications or submit multiple applications. When multiple subapplications are submitted, they should be ranked in priority order. Before forwarding subapplications to FEMA, applicants also should review subapplications to ensure that:

- The subapplicant has documented its capacity to manage the subaward funds
- The subapplicant has documented its capacity to complete the mitigation activity in the time specified
- Non-federal cost-share funds are or will be available for the project
- The maintenance requirements have been sufficiently identified, and the subapplicant or another authorized entity has accepted the maintenance responsibility
- The underlying cost-effectiveness data are accurate and complete
- All program- and project-specific requirements have been met and are documented as appropriate

Action Items

FEMA does not accept incomplete and placeholder project applications. Incomplete applications or subapplications delay project approval because they do not contain sufficient information for FEMA to make program eligibility determinations. Applications and subapplications submitted to FEMA must meet the minimum eligibility criteria for all submittals:

- Eligible applicant and subapplicant
- Plan
 - Meets all plan requirements per 44 CFR Parts 201 and 206
- Scope of work (SOW)
 - Provides a detailed SOW as described in Part IV, H of the HMA Guidance
- Work schedule
 - Provides a work schedule of 3 years or less
- Cost estimate
 - Provides a detailed cost estimate/budget that supports the SOW and documents required non-federal cost share
- Cost share
 - Provides non-federal cost share that meets program eligibility requirements (see Part III, C of the HMA Guidance)
- Cost-effectiveness and feasibility (projects)
 - Includes a FEMA-approved Benefit-Cost Analysis (BCA) or FEMA-approved alternate cost-effectiveness documentation (see Part IV, I of the HMA Guidance for additional information)
 - Is feasible and effective as demonstrated through conformance with accepted engineering practices and established codes, standards, modeling techniques, or best practices (see Part IV, J of the HMA Guidance for additional information)
- EHP projects
 - Includes information and documentation for each property identified in the subapplication to demonstrate conformance with all applicable laws and regulations (e.g., National Environmental Policy Act, National Historic Preservation Act)
 - Demonstrates that project avoids or minimizes harm to the environment and is the best alternative from a range of options considered (see Part IV, K of HMA Guidance for additional information)
- Assurance forms
 - 112-0-2, *Budget Information Construction Programs*
 - 112-0-3, *Summary Sheet for Assurances and Certifications*
 - 112-0-3A, *Assurances – Non-construction Programs*
 - 112-0-3B, *Assurances – Construction Program*
 - 112-0-3C, *Certifications Regarding Lobbying, Debarment, Suspension and Other*



Phase 4: Project Review

States, Federally-recognized tribes, and territories are eligible applicants for HMGP funding. The applicant is responsible for soliciting subapplications from eligible subapplicants and assisting in the preparation of, review, and submission of eligible, complete applications to FEMA. The State or Tribal Administrative Plan is a procedural guide that details how the applicant will administer HMGP. Applicants must have a current Administrative Plan approved by FEMA before receiving HMGP funds.

Your State hazard mitigation team should use the identification procedures included in its State or Tribal Administrative Plan to identify potential HMGP projects that are consistent with the State Hazard Mitigation Plan.

The total cost of applications received from potential subapplicants often exceeds the total amount of available grant funds. The state is responsible for reviewing and ranking potential projects by priority.

Action Items

Your state will use the criteria delineated in the State or Tribal Administrative Plan to thoroughly review all project applications. The state must ensure that all potential measures it selects:

- Meet minimum eligibility criteria
- Meet minimum selection criteria
 - Selected projects conform with state or local government planning objectives
 - Selected projects clearly reduce loss of life, loss of essential services, damage to critical facilities, or severe economic hardship
 - Selected projects reduce future losses after examining the alternatives available

In addition, your state may add other considerations to its evaluation criteria:

- Repetitive history of damage at the site
- Severity of hazard and vulnerability at the project location
- Level of protection provided by the project
- Measures designed to accomplish participation in the National Flood Insurance Program, compliance record, and Community Rating System level
- Protection of primary residences versus secondary homes and businesses
- Whether property to be protected is covered by flood or hazard insurance
- Applicant's ability to provide local cost share
- Local commitment and public buy-in

Applicant: The entity, such as a state, territory, or Federally-recognized tribe, applying to FEMA for a federal award that will be accountable for the use of the funds. Once funds are awarded, the applicant becomes the recipient or pass-through entity, or both.

Subapplicant: The entity, such as a community/local government, Federally-recognized tribe, or private nonprofit, that submits a subapplication to the applicant for FEMA assistance. Once funding is awarded, the subapplicant becomes the subrecipient.



Phase 5: Project Award and Obligation

FEMA awards the HMGP funds to the applicant (now known as the recipient), which disburses those funds to its subapplicants (now known as subrecipients), generally local governments. Within 12 months of the disaster declaration, your state must submit all selected applications to the Regional Administration. Within 24 months after the disaster declaration, the Regional Administrator will have obligated all of the funding.

States, Federally-recognized tribal governments, or territories administer the HMGP program and prioritize projects that best address the identified hazard(s) analyzed in their FEMA-approved hazard mitigation plans. Because HMGP funding is limited, they must make difficult decisions as to the most effective use of grant funds. After reviewing project applications to determine whether they meet the program's requirements, the states, Federally-recognized tribal governments, or territories forward the applications to FEMA for review and approval.

Action Items

The following summarizes applicant responsibilities for HMGP:

- Conformance with Hazard Mitigation and Administrative Plans
- Meeting disaster declaration deadlines
- Establishing staffing requirements
- Determination of application eligibility
- Determination of technical feasibility and effectiveness
- Provision non-federal match funds
- Compliance with EHP regulations and federal requirements for floodplain management and protection of wetlands
- Post-award monitoring and reporting requirements
- Grant closeout



Phase 6: Project Implementation and Monitoring

The recipient (state, Federally-recognized tribal government, or territory) is required to oversee the implementation of HMGP projects. Your State or Tribal Administrative Plan should include protocols for implementing approved projects and monitoring the status of the projects. Monitoring methods include site visits and updates via telephone, meetings, and progress reports.

Your State or Tribal Administrative Plan should identify the positions and minimum number of personnel needed to implement HMGP. Key positions may include:

- Clerical
- Administrative
- Financial Management
- Mitigation Program Specialists
- Environmental Planners

The organizational structure of your staff should remain flexible as it may be augmented as needed with emergency management agency staff, staff from other state agencies, or temporary staff or contractors hired to administer HMGP effectively. Your State or Tribal Administrative Plan should include a procedure for expanding staff resources and using HMGP management costs.

The state mitigation team may include representatives of agencies involved with emergency management, natural resources, floodplain management, transportation, insurance, building relations, etc. With varied expertise levels in different fields, the team can assist in reviewing, assigning priority, and recommending mitigation actions for implementation.

Action Items

Your State or Tribal Administrative Plan must establish procedures to:

- Identify and notify potential subapplicants of the availability of HMGP funding
- Provide potential subapplicants with information on the application process, program eligibility, and deadlines
- Determine subapplicant eligibility
- Provide information for EHP and floodplain management reviews in conformance with 44 CFR Parts 9 and 10 (or FD 108-1)
- Process requests for advances of funds and reimbursements
- Monitor and evaluate the progress completion of funded mitigation activities
- Review and approve cost overruns
- Process appeals
- Provide technical assistance as required to subrecipients
- Comply with the administrative requirements of 44 CFR Part 206 and 2 CFR Part 200

- Comply with audit requirements of 2 CFR Part 200 Subpart F
- Provide quarterly progress reports to FEMA on funded mitigation activities



Phase 7: Award Closeout

To close out the federal award, all subawards must be closed. FEMA requirements for closing HMGP subawards, by project types, are outlined in the HMA Job Aids: (1) *Closeout Toolkit: Checklist for Hazard Mitigation Grant Program* and (2) *Closeout Toolkit: Hazard Mitigation Grant Program Sub-award Closeout FAQs*. FEMA will review all closeout documentation for compliance and may send the recipient a request for additional supporting documentation, if needed.

A Federal Prime Grant Award is the total assistance provided (generally money) under a particular assistance program from FEMA directly to an eligible recipient by means of a grant agreement, cooperative agreement, or other agreement (e.g., FEMA-State/Tribal Agreement) that sets for terms and conditions (see 2 CFR Section 200.38, 40).

There are two types of Prime Grant Award Closeout: Standard and Administrative.

- **Standard Closeout** is the common and proper closeout process, which ensures that final reports are received and evaluated, final allowable costs are determined (although subject to adjustment as a result of a subsequent audit), any amounts due to FEMA or the recipient are determined and payment arrangements are made, and settlement in the disposition of property acquired or provided for use under the grant is finalized. Standard Closeout actions must conform to regulatory requirements and program guidance. If the Standard Closeout process is unable to be completed, for any reason, FEMA will pursue Administrative Closeout.
- **Administrative Closeout** is closure of a Federal Prime Grant Award when the recipient is non-compliant, there is clear negligence on the part of the recipient, or the recipient is unwilling to complete the closeout requirements or submit required final reports. The agency decision may or may not result in further consequences via enforcement actions. (See 2 CFR Section 200.339(a)(1) and 2 CFR Section 200.343, especially Section 200.343(d)–(g).)

The recipient has up to 90 days following the expiration of the Federal Prime Grant Award period of performance to submit all financial, performance, and other reports required by FEMA. The closeout and liquidation period is the time after the grant performance period ends when a non-federal entity must liquidate all obligations incurred during the performance period (90 days unless an extension is requested by the non-federal entity and approved by the federal awarding office) (see 2 CFR Section 200.343(a)).

Action Items

5 Steps to Close a Project:

- Agreement to close the project
 - If the state and FEMA concur that the project is ready to be closed, the closeout proceeds. However, the state may not agree. The state may request an extension, appeal denied projects, or request approval of cost overruns that necessitate eligibility reviews.

- Reconciliation/adjustment of project costs
 - The subrecipient, the state, and FEMA must coordinate to ensure that funds advanced through the program balance with funds expended by the state and subrecipient.
- Submission of the final project report should include:
 - Final financial and progress report, if applicable
 - Standard Form 270, Final Request for Payment, if applicable
 - FEMA Form 20-18, Report of Government Property
 - Final inspection reports
 - Photographs to validate expenditures
- Site visit
 - The state should conduct a site visit for all projects to ensure the approved scope of work was completed
- Project closeout in program and financial systems
 - FEMA and the state will record the amount and date of final payment
 - Financial files will be closed and excess funds will be deobligated

Steps required for Program closeout of HMGP at the state level:

- Reconcile cash with award and outlays
- Notify subrecipient when projects are ready for closeout
- Complete the final project inspections, audits, etc. required to make final project determinations
- Make final payments (or recoupments) on all projects
- Address all appeals filed by subrecipients
- Work with FEMA Regional staff to reconcile grant funds
- Prepare and submit the closeout package:
 - Letter from Governor's Authorized Representative to Regional Administrator requesting a program closeout and deobligation of unused funds
 - Final Status Report (SF 269)
 - Final Request for Payment (SF 270), if applicable
 - Report of Government Property (SF-428), if applicable
 - Report of Unobligated Balance of Federal Funds, Draw Downs, and Undrawn Funds (FEMA Form 20-19)
- Receive and process cost adjustments or return advanced unobligated cash to FEMA
- Maintain a copy of the closeout package for 3 years from the date it was sent to FEMA