



## Presentation for North Carolina Houses of Worship

### *Goals:*

- 1) Understand FEMA Public Assistance funding as it relates to a major disaster event and private nonprofits;
- 2) Review HOW capacity needs and likely routes that could increase access to FEMA funding, providing assistance on gathering information for upload to FEMA Grants Portal;
- 2) Understand the risks and benefits of participating in the FEMA Public Assistance program, including planning for non-reimbursable disaster costs and common issues for independent private nonprofits such as HOW's.

[NCEM Recovery's Public Assistance team](#) are assigned to every county in North Carolina. NCEM PA will quickly start each disaster with applicant outreach, immediate next steps, and timelines. NCEM PA will also review subrecipient projects and assist subrecipients as questions arise, including RFI's and determination memos.



## Things to know about FEMA Public Assistance

- 1) The Stafford Act (law), both 44 CFR 206 and 2 CFR 200 (regulations) and the Public Assistance Program and Policy Guide (policies) dictate the rules for FEMA PA program funds
- 2) Houses of Worship are designated “non-critical” private nonprofits, and this designation has a required extra application requirement with the SBA for a low-interest loan (before FEMA PA can be considered)
- 3) Goods, services or time that is donated to helping survivors are not reimbursable by FEMA
- 4) FEMA will not reimburse an eligible subrecipient for work they do during a disaster that was not already a part of the subrecipient’s historical, defined operations or without an memorandum of understanding
- 5) Subrecipients devote a great deal of time to this process to meet required timelines - some hire consultants to help (i.e. municipalities, colleges, hospitals) and others either do not start – or complete - the FEMA Public Assistance process



## Designation as a “non-critical but essential” PNP and the SBA requirement

Non-critical PNP’s must first apply for SBA low-interest loan assistance:

- 1) if granted an SBA loan, must take or refuse the loan before applying to FEMA PA
- 2) if the PNP is denied an SBA loan, FEMA becomes the funder of damage costs, outside of any insurance that exists *or that FEMA says should exist*
- 3) any SBA loan amount provided – *or that would have been provided if the loan is refused* - will be deducted from the project costs that FEMA PA establishes



## Insurance Requirements

- 1) All actual or anticipated insurance coverage will be deducted from project costs
- 2) If existing insurance is deemed inadequate, or if FEMA believes the subrecipient should have had certain insurance coverage, those insurance dollars will also be deducted
- 3) Subrecipients are required to sign off on an “obtain and maintain” insurance agreement at the start of the application process (flood, wind, etc.).

If a subrecipient does not obtain and continue to maintain the denoted insurance, and if the same type of disaster damage occurs in the future, FEMA PA will not consider damages done to a particular facility or facilities lacking that insurance.



## FEMA Grants Portal – Administrative Time and Effort

Although FEMA provides full-time staff to every disaster to assist subrecipients with their PA damages and project development, there is a lot that is required directly from the applicant up front and throughout the process. Regular involvement with project approval, uploading documentation into FEMA Grants Portal and using NCEM's EMgrants system for payments can be more than a part-time role.

- Registration and formal online request
- Insurance records upload
- Maintenance records upload
- Procurement records & 2 CFR 200
- Multiple project reviews and approvals
- Multiple requests for sign-off
- Requests for cost reimbursement
- Time extension requests to complete work
- Scope of work change requests
- Closeout Requests
- Physical or virtual final Inspections
- FEMA's quarterly reports



## **Primary issues experienced by private nonprofit's (PNP's) regarding FEMA Public Assistance funding**

- PNP tax-exemption status records lost or unavailable – FEMA requires this documentation be put in FEMA Grants Portal so FEMA can determine eligibility
- Lacking articles of incorporation, charter or bylaws and other operational documentation typical of a PNP – also required in FEMA Grants Portal
- Lacking any (or enough) flood, wind-driven rain, or other insurance on buildings
- Lacking property and facility records (deed, mortgage, lease) with maintenance records and activities
- Anticipating that volunteers are paid for what they do - volunteer hours are not reimbursable by FEMA
- Anticipating that food, water, clothing, transportation and other items or services donated to survivors are reimbursable by FEMA - donated items are not reimbursable by FEMA
- Not having enough time or staff, or issues with internet service after a disaster event



Damage	Damage Category	Project	Project Category	Peril Type	Item Type	Description	Required Coverage Amount
Antioch Building Complex	E	[87106] Antioch Baptist Church - Buildings and Equipment - CAT E	E	Wind	Building	As a condition of receiving Public Assistance for permanent work, an applicant must obtain and maintain insurance to cover that facility for the hazard that caused the damage. Compliance with Section 311 of the Stafford Act and its implementing regulations, Title 44 CFR 206.250-253 is a grant condition. The applicant must obtain and maintain wind driven rain insurance coverage on the replacement facility for the life of the facility; the minimum amount required is the total amount of federal funds approved for the replacement facility, prior to any reductions for insurance. FEMA will not provide assistance for the same facility in future disasters if the requirement to obtain and maintain insurance is not met.	\$64,821.97

and

*Cost denial example: When Florence hit, a NC private nonprofit academic institution had not obtained and maintained flood insurance after being told of this requirement by FEMA post-Matthew. After Florence, this PNP had \$3,000,000 in project costs removed from the FEMA project scope for flood damage incurred to buildings. The PNP is appealing this decision and have hired a law firm that has a practice area that specializes in disaster recovery funding denials by FEMA.*

*Costs to appeal could total between \$50,000 to \$100,000.*



**Examples of documents** that are required by FEMA to be uploaded into FEMA Grants Portal to establish eligibility: purpose, ownership, costs, damages and authority to receive FEMA funds.

## Grants Portal



- Dashboard
- My Organization ▼  
North Carolina Emergency Management (000-U2J38-00)
- My Post-Award Ops ▼
- My Tasks ▼
- Calendar
- Subrecipient Organizations ▼
- Profiles
- Personnel
- Applicant Event Profiles

	Applicant Event Profile	20190111 EHP DR-4393-NC RSM Clinton Chapel AME Zion Church.pdf	EHP RSM Notes	408 KB	EHP RSM Notes	01/14/2019 08:50 AM EST
	Damage #244399	20190321 PA DR-4393-NC SI - Clinton Chapel AME Zion Church.pdf		7.6 MB	EHP Site Inspection Report	03/22/2019 03:04 PM EDT
	Project #79026	20190907 PA 4393-01358 PN 79026 REC.pdf		9.5 KB	Record of Environmental Consideration	09/07/2019 05:24 PM EDT
	Project #79026	79026 DR4393NC Applicant Signed - DDD Approval 03-04-2020.pdf	DDD Signed	2.8 MB	Damage Inventory	03/05/2020 07:45 AM EST
	Project #81647	81647 Cost Estimate.xlsx	81647 Cost Estimate	17.4 KB	FEMA Provided SOW/Cost	04/27/2020 04:33 PM EDT
	Project #81647	81647 email from PDMG cost per DDD 04.27.20.pdf	81647 email from PDMG cost per DDD 04.27.20	197.9 KB	Correspondence, Email, Letter, etc.	04/27/2020 04:33 PM EDT





## NORTH CAROLINA EMERGENCY MANAGEMENT Recovery – FEMA Public Assistance Program

**Thank you.**

*Questions?* Please call or email your [NCEM PA Grants Manager, their Team Lead, or PA leadership](#) for guidance or additional assistance on this topic.