

# BRIC and FMA Technical Assistance: Financial Considerations

Hazard Mitigation Branch

# Overview

- Pre-Award Costs
- Management Costs
- Allowable Costs
- Administrative Requirements and Cost Principles
- Reimbursement and Cost Share
- Reminders
- Questions

# Pre-Award Costs

- Directly related to developing the subapplication.
- Incurred within a reasonable timeframe prior to the date of the grant award. Document, document, document!
- Identify as a line item within subapplication budget.
- May be reimbursed with Federal grant dollars only if the subapplication is awarded.
  - May be contributed towards non-Federal share
  - May request it be included in Federal share.
- Costs associated with implementation of proposed projects in the submitted subapplication that are incurred prior to the date of the grant award are not allowed. Activities initiated or completed prior to the date of the grant award are generally not eligible.

## Examples:

- Compiling NEPA data
- Developing BCA
- Preparing design specifications
- Conducting workshops or meetings to develop subapplication

# Management Cost

- Financial assistance to reimburse the subrecipient for eligible and reasonable indirect costs, direct administrative costs, and other administrative expenses associated with a specific mitigation subapplication.
- Identify within the scope of work and as a line item within subapplication budget.
- FEMA will provide 100% federal funding for management costs only if the subapplication is awarded.
- May request a maximum of up 5% of total project costs.

## Examples:

- Subapplication development
- Geocoding mitigation projects
- Providing technical assistance
- Project management
- Staff salary costs

# Allowable Costs

- Be necessary and reasonable for the performance of the Federal award and be allocable.
- Conform to any limitations or exclusions set forth in the Federal award as to types or amount of cost items.
- Be consistent with policies and procedures that apply uniformly to both federally-financed and other activities of the non-Federal entity.
- Be accorded consistent treatment. A cost may not be assigned to a Federal award as a direct cost if any other cost incurred for the same purpose in like circumstances has been allocated to the Federal award as an indirect cost.
- Not be included as a cost or used to meet cost sharing or matching requirements of any other federally-financed program in either the current or a prior period.
- Be adequately documented.

# Reasonable Costs

A cost is reasonable if, in its nature and amount, it does not exceed that which would be incurred by a prudent person under the circumstances prevailing at the time the decision was made to incur the cost.

- Whether the cost is of a type generally recognized as ordinary and necessary for the operation of the non-Federal entity or the proper and efficient performance of the Federal award.
- The restraints or requirements imposed by such factors as: sound business practices; arm's-length bargaining; Federal, state, local, tribal, and other laws and regulations; and terms and conditions of the Federal award.
- Market prices for comparable goods or services for the geographic area.
- Whether the individuals concerned acted with prudence in the circumstances considering their responsibilities to the non-Federal entity, its employees, where applicable its students or membership, the public at large, and the Federal Government.
- Whether the non-Federal entity significantly deviates from its established practices and policies regarding the incurrence of costs, which may unjustifiably increase the Federal award's cost.

# Eligible Cost Examples

- Contingency: Cover situations that cannot be fully defined at the time the cost estimate is prepared but that will likely result in additional eligible costs. Not immediately available.
  - May request up to 5% of project cost (increased to 7% for historic properties)
  - Does not cover inflation
  - Document, document, document.
- Design and Engineering
- Labor
- Materials
- Inspections and Permits
- Construction
- Project Administration

**Table 1: Generally Allowable Costs for Property Acquisition and Structure Demolition or Relocation for Open Space**

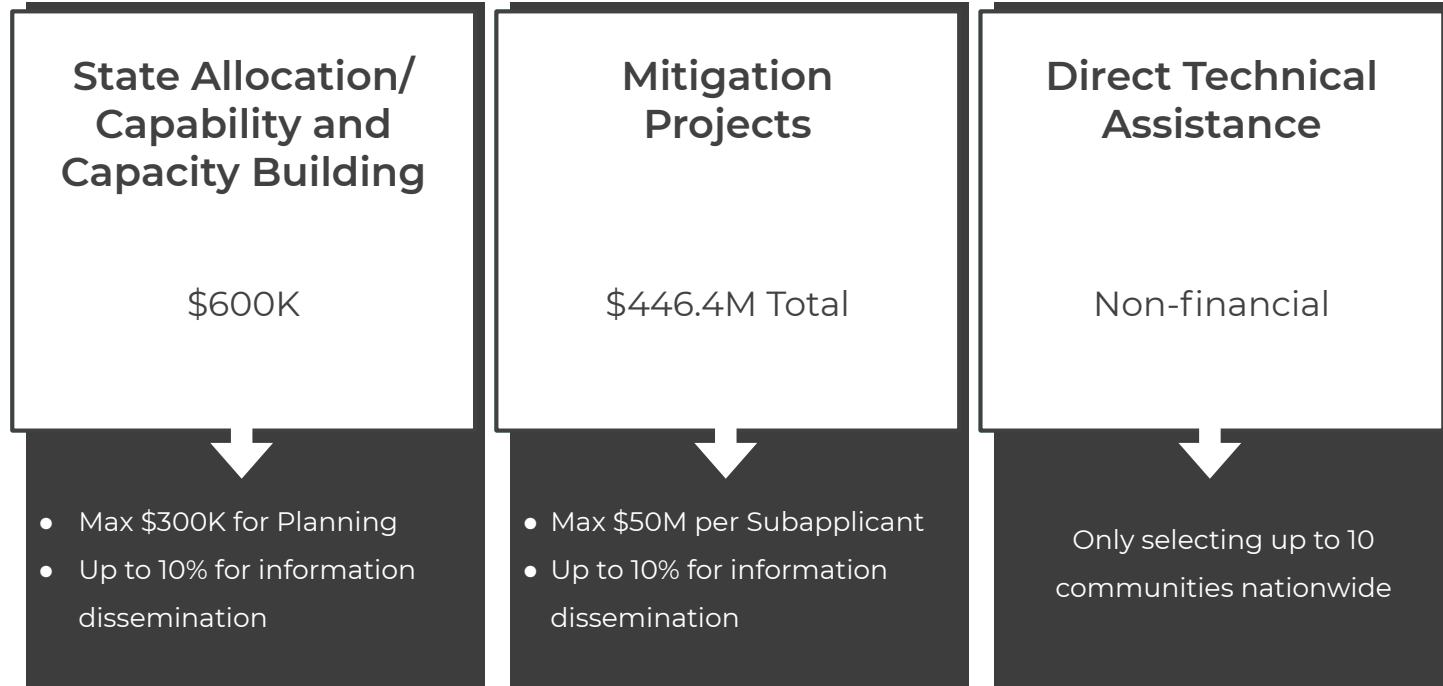
| Both Structure Demolition and Relocation  | Structure Demolition Only   | Structure Relocation Only   |
|---|---|---|
| <ul style="list-style-type: none"> <li>• Removal of demolition debris and household hazardous wastes to an approved landfill (including debris from the demolition of houses, garages, driveways, sidewalks, and above-grade concrete slabs)</li> <li>• Abatement of asbestos and/or lead-based paint</li> <li>• Removal of septic tanks; if not removed, floors and walls must be cracked or crumbled so the tank will not hold water, and the tank must be filled with sand or other clean fill</li> <li>• Permitted disposal of fuel tanks that support residential use only</li> <li>• Removal of all structure foundation and basement walls to at least 1 foot below the finish grade of the site</li> <li>• Filling of basements with compacted clean fill (basement floors must have a minimum 1-foot-diameter hole in the floor to allow for drainage)</li> <li>• Removal of only the trees, if any, that restrict the demolition work on any structure</li> <li>• Termination of all abandoned utilities at least 2 feet below the finish grade of the site</li> <li>• Capping of all wells and/or removal of associated components</li> <li>• Grading, leveling, and site stabilization of all demolition sites</li> </ul> | <ul style="list-style-type: none"> <li>• Market value of the real property (land and structures) either at the time of sale or immediately prior to the most recent disaster or flood event, subject to applicable adjustments, provided State/local laws do not prohibit future improvements and/or require structure demolition</li> <li>• For land already owned by an eligible entity, compensation is for the structure and for development rights only, not for the land. This includes any entity eligible to apply for award or subaward funding under the relevant funding program, even if the entity is not the Applicant or subapplicant for the project.</li> <li>• Fees for necessary appraisals, title searches, title insurance, property inspections, and surveys</li> <li>• Property tax liens or tax obligations can be extinguished with proceeds from property sale while performing the transfer of title</li> <li>• Fees associated with the title transfer, contract review, and other costs associated with conducting the real estate settlement, including recordation of the deed and deed restrictions</li> <li>• Demolition, site restoration, and site stabilization of the acquired site</li> </ul> | <ul style="list-style-type: none"> <li>• Market value of the real property (land only)</li> <li>• For land already owned by an eligible entity, compensation is for the development rights. This includes any entity eligible to apply for award or subaward funding under the relevant funding program, even if the entity is not the Applicant or subapplicant for the project.</li> <li>• Fees for necessary appraisals, title searches, title insurance, property inspections, plan reviews, permit fees, and surveys</li> <li>• Property tax liens or tax obligations can be extinguished with proceeds from property sale while performing the transfer of title</li> <li>• Fees associated with the title transfer, contract review, and other costs associated with conducting the real estate settlement, including recordation of the deed and deed restrictions</li> <li>• Jacking and moving the structure to a different site</li> <li>• The reasonable cost of disassembling, moving, and reassembling any attached appurtenances such as porches, decks, skirting, ramps, and awnings</li> <li>• Necessary site preparations, including foundation, water, sewer, and utility hookups</li> <li>• Site restoration and site stabilization of the acquired site</li> </ul> |



# Reimbursement

- If subapplication is awarded, you will be **reimbursed** by MEMA for cost, which have been paid and documentation is provided.
- Will only be reimbursed for a maximum of 75% Federal share (or other approved percentage) of final total project costs or for approved Federal dollar amount.
  - If project is under budget then Federal dollar amount will also decrease.
  - If project is over budget then you will only be reimbursed the approved Federal share and overages are the responsibility of the subrecipient.

# BRIC Funding Availability and Categories

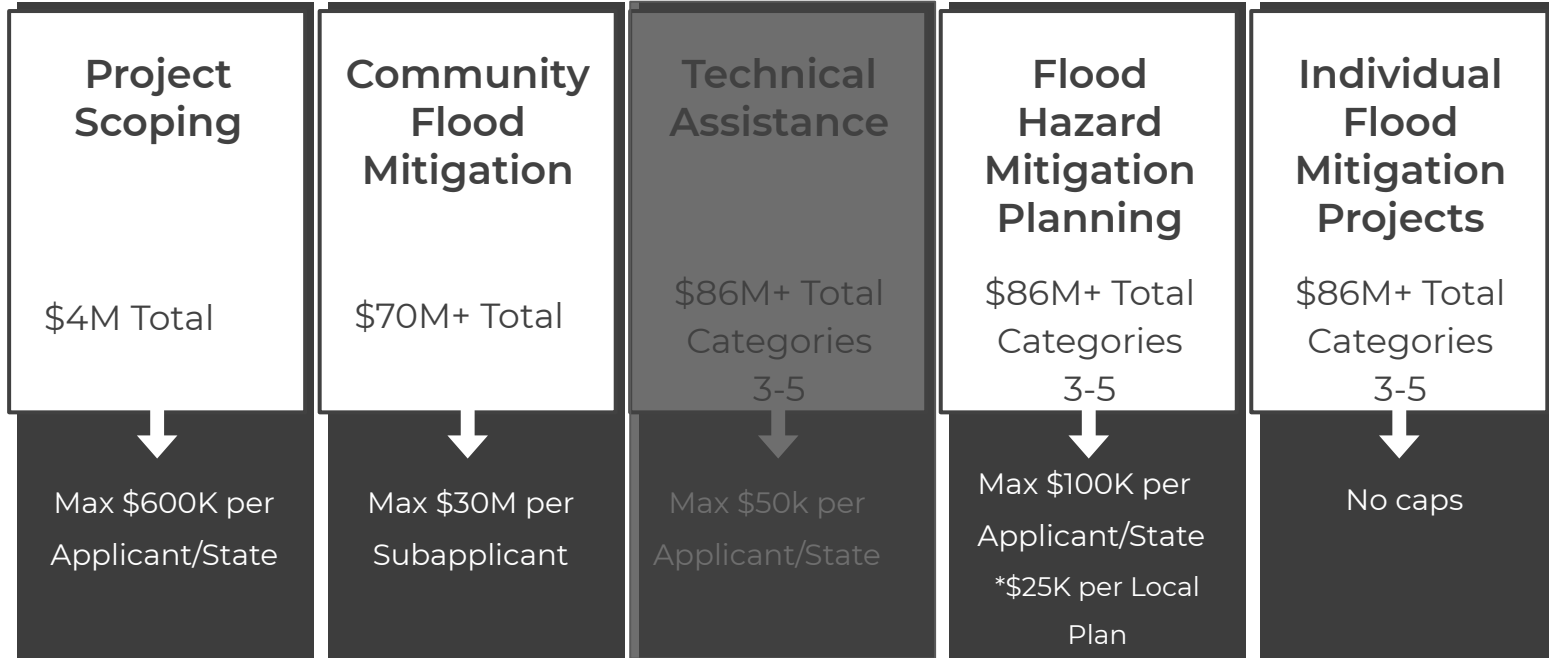


A max of 5% of the total subapplication budget can be submitted for management costs

# BRIC Cost Share

- 75% Federal / 25% non-Federal
- 90% Federal / 10% non-Federal for Small and Impoverished Communities
  - 3,000 or fewer individuals identified by the State as disadvantaged
  - Average per capita annual income not exceeding 80% of the national per capita income

# FMA Funding Availability and Categories



A max of 5% of the total subapplication budget can be submitted for management costs

# FMA Cost Share

- 75% Federal / 25% non-Federal
- 90% Federal / 10% non-Federal for Repetitive Loss
- 100% Federal for Severe Repetitive Loss

## a. Severe Repetitive Loss (SRL) structure (ii)

- Have at least 2 separate NFIP claim payments exceeding Market Value of Structure

## b. Repetitive Loss (RL) structure

- Have at least 2 NFIP claim payments where average costs equal or exceed 25% of Market Value of Structure

## c. Severe Repetitive Loss (SRL) structure (i)

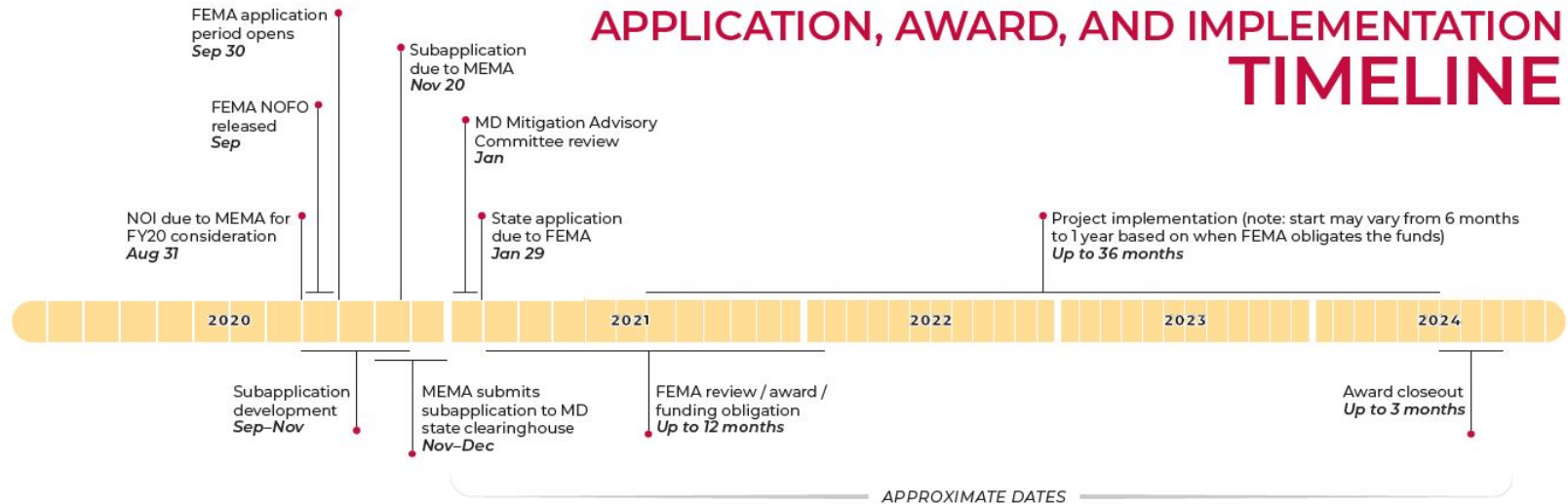
- Have at least 4 NFIP claim payments of \$5,000 or more, with cumulative payments exceeding \$20,000

# Reminders

- Well-documented project cost estimates contain quantities, unit costs, and a source for each unit cost. In contrast, lump-sum cost estimates do not provide quantities and unit costs required to evaluate the accuracy of the project cost estimate. Lump-sum cost estimates are not acceptable.
- If using contractor support ensure you are in compliance with 2 CFR 200.317 through 200.326.
  - In general a contractor who develops HMA grant application project specifications (e.g., planning, engineering or design firms, or consultants) or is contracted to provide direct assistance with the completion and submission of a grant application is prohibited from competing for the work that it helped to develop (2 C.F.R. Section 200.319(a))

# Reminders

- Send FEMA GO registration information to [mitigation.mema@maryland.gov](mailto:mitigation.mema@maryland.gov)
  - POC name and email address, roles, and DUNs #
- Subapplications due to MEMA in FEMA GO no later than November 20, 2020











# Maryland

EMERGENCY MANAGEMENT  
AGENCY

*The mission of the Maryland Emergency Management Agency is to proactively reduce disaster risks and reliably manage consequences through collaborative work with Maryland's communities and partners.*

[mitigation.mema@maryland.gov](mailto:mitigation.mema@maryland.gov)