ISSUE 17

# DISASTER RECOVERY TODAY

ADJUSTERS INTERNATIONAL
*Disaster Recovery Consulting*

## IN THIS ISSUE

### Alternative Funding Can Make a Difference

Alternative funding approaches can make a significant difference between an optimum recovery from a disaster and a mediocre or deficient one. This issue of *Disaster Recovery Today* discusses many of the alternatives available to a recovery planner.

Author John Agostino of Adjusters International offers a broad overview of various types of disaster funding, including where the funding comes from and who is eligible for it. He also provides a helpful list of references where more detailed information about many of the programs can be sought.

Understood and properly utilized, alternative funding can increase the chances for a fast, efficient and comprehensive recovery from a disaster.


# Supplemental Funding Sources in Community Recovery

*By John Agostino*

The key to successful disaster recovery depends upon a robust strategy that includes planning and mitigation. Such a strategy takes into account where the community, city, state or region envisions itself after the completion of the recovery process. It is important to remember that many components of an effective recovery strategy are interdependent; if one part of a project receives funding while another does not, it can severely hinder the speed and/or breadth of the recovery.

With this in mind, looking at all available funds across as many sources as possible will strengthen the overall effectiveness of the strategy.

The Center for American Progress conducted an analysis and found that from fiscal year 2011 to fiscal year 2013 the federal government spent a total of $136 billion on disaster relief (Figure 2). This adds up to an average of nearly $400 per household per year. While the Department of Homeland Security (DHS) provided the greatest portion of this funding, it only accounted for 41 percent of the total funds during this period.

Specifically, the Federal Emergency Management Agency's (FEMA) Disaster Relief Fund — arguably the most highly recognized source of federal assistance — accounts for only 25 percent of disaster funding provided by the federal government. In addition to the Disaster Recovery Fund, DHS also administers the National Flood Insurance Program (NFIP). In this article, in addition to DHS funding through FEMA, we will also discuss other federal funding sources and present techniques for combining all funding to achieve a desirable outcome without duplicating benefits, which is prohibited by the Office of Management and Budget.

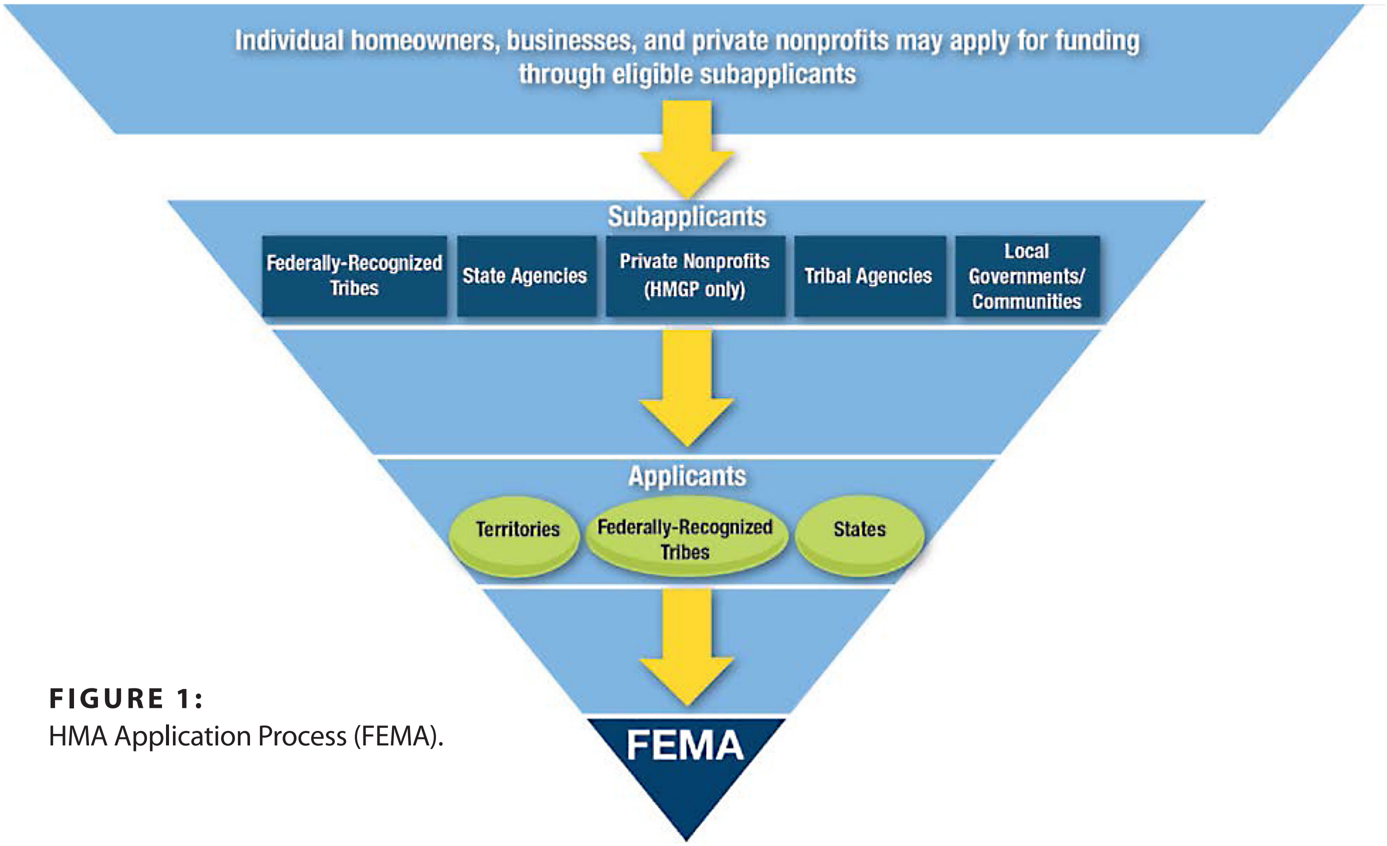


**FIGURE 1:**
HMA Application Process (FEMA).

**Background and History of Disaster Funding**

*"... looking at all available funds across as many sources as possible will strengthen the overall effectiveness of the strategy."*

The Congressional Act of 1803 is considered the first piece of disaster legislation. It provided one New Hampshire town with assistance after an extensive fire. In the century that followed ad hoc legislation was passed more than 100 times in response to hurricanes, earthquakes, floods and other disasters.

Disaster recovery efforts were initially a collaborative effort between voluntary organizations and the United States military following disasters such as hurricanes (Galveston 1900), earthquakes (San Francisco 1906), floods (Mississippi 1927) and the droughts of 1930-1931. Before this, relief efforts were funded on an incident-by-incident basis by Congress, with the belief that disaster relief was best left to the efforts of charitable organizations.

In the 1930s, when the federal approach to problems became popular, the Reconstruction Finance Corporation became the authority for distributing loans for repair and reconstruction of certain public facilities following an earthquake. Other legislation included the authority for the Bureau of Public Roads to provide supplemental funding for highways and bridges (1934) and the establishment of federal responsibility for flood mitigation along major rivers (Flood Control Act 1936).

Aimed at replacing the piecemeal approach to disaster assistance, the Federal Disaster Relief Program was passed by Congress in 1950. This program created executive authority to federally declare disasters — and the federal government's role was shifted to provide supplementary assistance to state and local efforts. Later, in the 1960s under the Department of Housing and Urban Development (HUD), the Federal Disaster Assistance Administration was established to provide federal recovery and response to disasters. The program was tested with the Anchorage Earthquake in 1964, ushering in an era of resolute federal involvement in disaster relief.

In the 1960s and 1970s a string of major disasters including Hurricane Carla (1962), Hurricane Betsy (1965), Hurricane Camille (1969), Hurricane Agnes (1972) and the Southern California Earthquake (1971) created awareness of the increasing need for legislation to establish clearer roles in disaster response. To this end, under the Disaster Relief Act of 1969, a Federal Coordinating Officer (FCO) was established to represent the president during relief efforts, while authorizing individuals and families to receive assistance through local and state governments.

In 1979, by executive order, President Carter merged many of the autonomous disaster-related responsibilities into a new Federal Emergency Management

Agency (FEMA). Among other agencies, FEMA absorbed the Federal Insurance Administration, the National Fire Prevention and Control Administration, the National Weather Service Community Preparedness Program, the Federal Preparedness Agency of the General Services Administration (GSA), and the Federal Disaster Assistance Administration from HUD.

*"As society and disasters change, the federal government has been able to adapt."*

Evolving further, as a result of the September 2001 terrorist attacks on the World Trade Center, in March 2003 FEMA — along with 22 other agencies, programs, and offices — became the Department of Homeland Security. Under the umbrella of DHS agencies can now provide a higher degree of coordinated national security for emergencies and disasters, both natural and man-made.

As society and disasters change, the federal government has been able to adapt. From the Disaster Mitigation Act of 2000 through the Sandy Recovery Improvement Act of 2013, DHS/FEMA has managed to expand funding efforts for all parties — including individuals, small businesses, nonprofits, and state and local governments. It is this very adaptability that has allowed meaningful and critical responses to the nation's worst natural disasters over the past 10 years. In addition to DHS/FEMA, organizations like HUD, USDA, FTA, FHWA, USACE and the NRCS play critical roles in the disaster preparation, response and recovery processes.

**DHS/FEMA Disaster Recovery Programs**

## Individual Assistance

***Individuals and Households Program (IHP)***
The IHP is composed of two different types of assistance: Housing Assistance (HA) and Other Needs Assistance (ONA). The IHP's governing philosophy is to be simple, fast, equitable and consistent. The most commonly used forms of FEMA's IHP HA and ONA include home repair, rental assistance and replacement of essential personal property. (Source: FEMA)

***Small Business Administration (SBA)***
SBA funds cover critical needs and necessary expenses to help people get back on their feet after a disaster, but are not designed to cover longer-term unmet needs. The SBA plays a major role

in providing assistance by offering low-interest disaster loans to homeowners and renters for restoring or replacing disaster-damaged, uninsured real and personal property. The SBA can loan money for several items not covered under IHP.

The SBA offers both home and personal property disaster loans and business physical and economic injury disaster loans. Items such as secondary homes, personal pleasure boats, airplanes, recreational vehicles and similar property are not eligible for SBA loans unless these items were used for business purposes. (Source: FEMA)

***Disaster Unemployment Assistance (DUA)***
Many people find themselves suddenly unemployed following a disaster. Disaster Unemployment Assistance (DUA) funds are provided to applicants who have lost their jobs as a direct result of the disaster and are not eligible for regular unemployment benefits. Examples of those who might be eligible for DUA funds are self-employed persons, farm and ranch owners, and farm workers. DUA coverage also extends to individuals who became the head of a household as a direct result of the disaster-related death of the previous head of household.

DUA is 100 percent funded by FEMA through the U.S. Department of Labor and is administered by the state's employment agency. (Source: FEMA)

***Crisis Counseling Program (CCP)***
The Crisis Counseling Assistance and Training Program (CCP) was designed to assist individuals and communities in recovering from the effects of disasters through community-based outreach and educational services. Funds are provided to a state to pay its mental health providers to offer counseling services to disaster survivors.

Funding for crisis counseling is available to states through two grant mechanisms: (1) the Immediate Services Program (ISP), which provides funds for up to 60 days of services immediately following a disaster declaration; and (2) the Regular Services Program (RSP), which provides funds for up to nine months of services following a disaster declaration. FEMA has designated the Substance Abuse and Mental Health Services Administration (SAMHSA) as the authority responsible for monitoring all RSP programs.

***Disaster Legal Services (DLS)***
People often make it through a disaster only to be faced with other struggles, such as landlords who refuse to make repairs to their homes or waive their leases even though the homes are uninhabitable. In such instances applicants seek relief through Disaster Legal Services (DLS). DLS, through an agreement with the Young Lawyers Division of the American Bar Association, provides free legal help for low-income disaster survivors that can be accessed through a toll-free Legal Hotline and/or at Disaster Recovery Centers. (Source: FEMA)

## Public Assistance

Under FEMA's Public Assistance (PA) Program, state, tribal and local governments and certain types of private nonprofit organizations (all sub-recipients) are eligible to receive federal assistance for responding to and recovering from major disasters or emergencies declared by the president. This supplemental assistance allows for debris removal, emergency protective measures, and the repair, replacement or restoration of disaster damages at eligible facilities.

In addition, for those eligible damaged facilities, FEMA encourages and will fund certain mitigation measures to ensure that such damages are not repeated in a future event.

Funding for FEMA's PA Program will be 75 percent at a minimum, with the remaining cost share to be borne by the sub-recipient. (Source: FEMA)

### Fire Management Assistance Grant Program

Fire Management Assistance is available to states, and local and tribal governments, for the mitigation, management and control of fires on publicly or privately owned forests or grasslands that have the potential to create a major disaster. The Fire Management Assistance declaration process is initiated when a state submits a request for assistance to the FEMA Regional Director at the time a "threat of major disaster" exists. The entire process is accomplished on an expedited basis and a FEMA decision is rendered in a matter of hours.

The Fire Management Assistance Grant Program (FMAGP) provides a 75 percent federal cost share, with the state paying the remaining 25 percent for actual costs. Before a grant can be awarded, a state must demonstrate that total eligible costs for the declared fire meet or exceed either the individual fire cost threshold, which is applied to single fires, or the cumulative fire cost threshold, which recognizes numerous

***"... for those eligible damaged facilities, FEMA encourages and will fund certain mitigation measures to ensure that such damages are not repeated in a future event."***

smaller fires burning throughout a state. Eligible firefighting costs may include expenses for field camps; equipment use, repair and replacement; tools, materials and supplies; and mobilization and demobilization activities. (Source: FEMA)

### Community Disaster Loan Program (CDL)

A local government or other eligible jurisdiction in a designated disaster area that can demonstrate a substantial tax loss and the need for financial assistance to perform its governmental functions may be eligible for a CDL. Loans cannot exceed 25 percent of the local government's annual operating budget for the fiscal year in which the major disaster occurs, up to a maximum of $5 million.

A sub-recipient should consult the office or official designated as the single point of contact in the state for more information on the CDL process. Upon declaration of a major disaster, one may apply for assistance through the governor's authorized representative. (Source: FEMA)

### Hazard Mitigation Assistance (HMA)

HMA programs reduce community vulnerability to disasters and their effects, promote individual and community safety and resilience, and promote community vitality after a disaster. Additionally, they reduce response and recovery resource requirements in the wake of a disaster or incident, thus resulting in a safer community that is less reliant on external financial assistance.

Hazard mitigation is defined as any sustained action taken to reduce or eliminate long-term risk to people and property from natural hazards and their effects. Hazard mitigation is the only phase of emergency management specifically dedicated to breaking the cycle of damage, reconstruction and repeated damage. Accordingly, states, territories, federally recognized tribes and local communities[1] are encouraged to take advantage of funding that HMA programs provide in both the pre- and post-disaster timelines. (Source: FEMA)

***Hazard Mitigation Grant Program (HMGP)***
HMGP is authorized by Section 404 of the Stafford Act, with its key purpose being to ensure that the opportunity to take critical mitigation measures to reduce the risk of loss of life and property from future disasters is not lost during the

[1]Of the three HMA Programs, eligible PNPs can only seek mitigation funding through the HMGP.

| DEPARTMENT | OFFICE/BUREAU | PROGRAM |
|---|---|---|
| Homeland Security | FEMA | Disaster Relief Fund |
| Agriculture | Farm Service Agency | Federal Crop Insurance |
| Homeland Security | FEMA | National Flood Insurance |
| Housing and Urban Development | Community Planning and Development | CDBG-Disaster Recovery Assistance |
| Transportation | Federal Transit Administratinon (FTA) | FTA Public Transportation Emergency Relief Program |
| Transportation | FHWA | Federal-Aid Highway Emergency Relief Program |
| Defense | Army Corps of Engineers | Construction |
| Agriculture | Forest Service | Fire Suppression (total) |
| Agriculture | Farm Service Agency | Supplemental Revenue Assistance Payments |
| Agriculture | Farm Service Agency | Agriculture Disaster Relief Fund |
| Defense | Army Corps of Engineers | Flood Control and Coastal Emergency Act Disaster Preparedness |
| Small Business Administration | Office of Disaster Assistance | Disaster Assistance Loans |
| Defense | Army Corps of Engineers | Operations and Maintenance |
| Defense | Army Corps of Engineers | Mississippi River and Tributaries |
| Homeland Security | Coast Guard | Ensuring Resilience to Disasters |
| Interior | Wildland Fire Management | Suppression Operations |

**FIGURE 2:** Chart indicates some of the agencies and programs through which federal disaster assistance came between 2011 and 2013 as noted in the analysis conducted by the Center for American Progress. (Weiss & Weidman, 2013).

reconstruction process. It is available when authorized under a presidential major disaster declaration, in the areas of the state requested by the governor. Federally recognized tribes may also submit a request for a presidential major disaster declaration within their impacted areas.

The amount of HMGP funding available to the sub-recipient is based on the estimated total federal assistance, subject to the sliding scale formula outlined in 44 CFR §206.432(b). This formula provides for up to 15 percent of the first $2 billion of estimated aggregate amounts of disaster assistance; up to 10 percent for amounts between $2 billion and $10 billion; and up to 7.5 percent for amounts between $10 billion and $35.3 billion. For states with enhanced mitigation plans, the eligible assistance is up to 20 percent for estimated aggregate amounts of disaster assistance not to exceed $35.3 billion. (Source: FEMA)

***Pre-Disaster Mitigation (PDM)***
PDM, also authorized by the Stafford Act, is designed to assist states, territories,

federally recognized tribes and local communities in implementing a sustained pre-disaster mitigation program to reduce overall risk to the population and structures from future hazards and disastrous events. In doing so, such programs will also reduce reliance on federal funding in future disasters.

The total amount of funds distributed for PDM is determined once the appropriation is provided for a given fiscal year and can be used for mitigation projects and planning activities. (Source: FEMA)

***Flood Mitigation Assistance (FMA)***
FMA is authorized by Section 1366 of the National Flood Insurance Act of 1968 (NFIA) as amended, with the goal of reducing or eliminating claims under the National Flood Insurance Program (NFIP). It was created as part of the National Flood Insurance Reform Act (NFIRA) of 1994. Note that the Biggert-Waters Flood Insurance Reform Act of 2012 consolidated the Repetitive Flood Claims and Severe Repetitive Loss grant programs into FMA.

FMA funding is available through the National Flood Insurance Fund (NFIF) for flood hazard mitigation projects as well as plan development and is appropriated by Congress. States, territories and federally recognized tribes are eligible to apply for FMA funds. Local governments are considered sub-recipients and must apply to their recipient state, territory or federally recognized tribe. (FEMA)

***The National Flood Insurance Program (NFIP)***
The NFIP was created through the National Flood Insurance Act of 1968 (P.L. 90-448) enabling property and business owners in participating communities to purchase insurance from the federal government against losses from flooding. It is designed to provide an insurance alternative to disaster assistance and to help meet the escalating costs of repairing damage to buildings and their contents caused by floods.

Homeowners can purchase coverage for a dwelling up to a maximum of $200,000 and for contents up to $100,000. Commercial properties, which include most government facilities, can be insured for up to $500,000 on the building and $500,000 on contents. (Source: FEMA)

**Other Funding Sources**

**USDA**

***Federal Crop Insurance***
According to the USDA's Risk Management Agency, "The Federal Crop Insurance Corporation (FCIC) promotes the economic stability of agriculture through a sound

system of crop insurance and providing the means for the research and experience helpful in devising and establishing such insurance. Management is vested in a Board of Directors, subject to the general supervision of the Secretary of Agriculture." (Source: USDA)

"Eligible crops must be grown on insurable acreage in a county for which a method of establishing insurance yields/guarantees and premium rates has been established. A person seeking crop insurance must have a significant interest in the crop. Certain crop types carry specific insurance considerations. There is no cost share requirement." (Source: USDA, 2013)

***Farm Service Agency***

- *Non-Insured Crop Disaster Assistance Program (NAP)* - Provides financial assistance to producers of non-insurable crops when low yields, loss of inventory or prevented planting occurs due to natural disasters.

- *Livestock Forage Program (LFP)* - Provides compensation to eligible livestock producers that have suffered grazing losses due to drought or fire on land that is native or improved pastureland with permanent vegetative cover or that is planted specifically for grazing.

- *Livestock Indemnity Program (LIP)* - Provides benefits to livestock producers for livestock deaths in excess of normal mortality caused by adverse weather or by attacks by animals reintroduced into the wild by the federal government.

***"Under FEMA's Public Assistance (PA) Program, state, tribal and local governments and certain types of private nonprofit organizations ... are eligible to receive federal assistance for responding to and recovering from major disasters or emergencies declared by the president."***

- *Emergency Assistance for Livestock, Honeybees, and Farm-Raised Fish (ELAP)* - Provides emergency assistance to eligible producers of livestock, honeybees and farm-raised fish for losses due to disease (including cattle tick fever), adverse weather or other conditions such as blizzards and wildfires not covered by LFP and LIP.

- *Tree Assistance Program (TAP)* - Provides financial assistance to qualifying orchardists and nursery tree growers to replant or rehabilitate eligible trees, bushes and vines damaged by natural disasters. (Source: USDA - FSA)

***Forest Service Fire Suppression***
According to the USDA Forest Service - "The USDA Forest Service is the largest wildland firefighting force in the world. More than 10,000 highly-trained Forest Service firefighters are ready to respond to wildfire with hand tools, engines, aircraft, and leading-edge technology.  The Forest Service could not respond effectively to fires without its partners. Federal, tribal, state and local agencies are fire line allies on wildland fires across the country." (Source: USDA Forest Service)

The USDA Forest Service response process spans from monitoring controlled fires that benefit the ecosystem to directly combatting fires that pose a threat to people and/or resources, while placing the highest priority on safety.

The federal government provides active firefighting support for fires on state and private lands (in addition to the previously discussed FMAG through FEMA) in two ways. The first, used during an emergency, consists of fire suppression forces and equipment provided at a state's request and coordinated through the National Interagency Fire Center. States work with the U.S. Forest Service and the Department of the Interior to allocate reimbursements.

The second is through direct financial assistance for state fire protection efforts, funded through the Forest Service's State Fire Assistance Program. This program provides funds directly to state-approved state and local rural forest fire protection organizations to enhance their firefighting capacity, conduct mitigation activities that reduce property loss and wildfire fuel levels, increase public awareness, and develop fire plans and citizen-driven solutions in rural communities. (Source: USDA)

***Natural Resources Conservation Service (NRCS)***
The USDA's Natural Resources Conservation Service (NRCS) administers a program that assists in many of these situations and is especially helpful to rural communities across the country. The Emergency Watershed Protection Program (EWP) responds to emergencies created by natural disasters and is designed to help people and conserve natural resources by relieving imminent hazards to life and property caused by floods, fires, windstorms and other natural occurrences. Funding is subject to availability. (Source: USDA)

> ***"Regardless of which agency provides the funding, it is important to remember that recordkeeping and related requirements are generally consistent and must be met... ."***

## Department of Housing and Urban Development (HUD)

HUD provides a variety of disaster resources listed below and also partners with federal and state agencies to help implement disaster recovery assistance. Its programs include:

***Mortgage Assistance from HUD's Federal Housing Administration (FHA)***
For a presidentially declared disaster, FHA activates a mortgagee letter making a variety of insured loan programs available for disaster victims and putting into play use of special loan servicing and underwriting requirements.

***Assistance from Ginnie Mae***
Ginnie Mae encourages all single-family, manufactured housing and multi-family Ginnie Mae issuers who offer forbearance to provide it to mortgagors in areas receiving a presidential disaster declaration.

***Community Development Block Grants (CDBG)***
HUD provides flexible grants to help cities, counties and states recover from presidentially declared disasters, especially in low-income areas, subject to availability of supplemental appropriations. In response to presidentially declared disasters, Congress may appropriate additional funding for the Community Development Block Grant (CDBG) program as Disaster Recovery grants to rebuild the affected areas and provide crucial seed money to start the recovery process. Since CDBG Disaster Recovery (CDBG-DR) assistance may fund a broad range of recovery activities, HUD can help communities and neighborhoods that otherwise might not recover due to limited resources. (Source: HUD)

## Federal Transportation Agency (FTA) Emergency Relief Program

The FTA's Emergency Relief Program was established under MAP-21 and enables the FTA to provide assistance (when funding is available) to public transit operators in the aftermath of an emergency or major disaster.

This program helps states and public transportation systems pay for protecting, repairing and/or replacing equipment and facilities that may suffer or have suffered serious damage as a result of an emergency, including natural disasters like floods, hurricanes and tornadoes.

The program can fund capital projects to protect, repair, or replace facilities or equipment that are in danger of suffering serious damage or have suffered serious damage as a result of an emergency. The program can also fund the operating costs of evacuation, rescue operations, temporary public transportation service, or reestablishing, expanding or relocating service before, during or after an emergency. By definition, this program is only designed to be used if funds are appropriated and only to pay for items not covered by either FEMA or insurance. Eligible applicants are states and governmental authorities — including public transportation agencies that operate public transportation services in an area impacted by an emergency or major disaster as defined by a gubernatorial or presidential declaration of such an emergency or disaster — and that historically receive federal transit funds directly from FTA. (Source: FTA)

### Federal Highway Administration (FHWA) Emergency Relief (ER) Program

Congress has authorized a special program from the Highway Trust Fund for the repair or reconstruction of federally aided highways and roads on federal lands that have suffered serious damage as a result of (1) natural disasters or (2) catastrophic failures from an external cause.

This program, commonly referred to as the ER program, supplements the commitment of resources by states, their political subdivisions and other federal agencies to help pay for unusually heavy expenses resulting from extraordinary conditions.

The applicability of the ER program to a natural disaster is based on the extent and intensity of the disaster. Damage to highways must be severe, occur over a wide area and result in unusually high expenses to the highway agency. Applicability of ER to a catastrophic failure due to an external cause is based on the criteria that the failure was not the result of an inherent flaw in the facility but was sudden, had a disastrous impact on transportation services and resulted in unusually high expenses to the highway agency.

Under 23 U.S.C. 125, $100 million is authorized annually for the ER Program. Congress has periodically provided additional funds for the program through supplemental appropriations. While MAP-21 eliminated the $100 million per-state event trigger, program activation occurs only if funding is available.

Approved ER funds are available at the pro-rata share that would normally apply to the federally aided facility that was

damaged. Emergency repair work to restore essential travel, minimize the extent of damage or protect the remaining facilities — accomplished in the first 180 days after the disaster occurs — may be reimbursed at 100 percent federal share. The 180-day time period for 100 percent eligibility of emergency repairs may be extended if a state cannot access a site to evaluate damages and the cost of repair.

It is the responsibility of individual states to request ER funds. A notice of intent to request the funds filed by the state's


department of transportation with the FHWA Division Office located in the state will initiate the ER application process. States are required to apply for ER funding within two calendar years of the date of the disaster. The application must include a comprehensive list of all eligible project sites and repair costs. (Source: FHWA)

**Other Assistance**

While we have focused on the primary funding sources, there are additional agencies that provide disaster assistance directly — including the U.S. Army Corps of Engineers (USACE), the American Red Cross, the Environmental Protection Agency (EPA) and the U.S. Department of Justice (DOJ), to name a few.

Whether providing direct federal assistance with fighting floods, emergency activities, debris removal or providing guidance on the environmental impacts of certain actions, these resources can become a vital part of an organization's recovery team. This said, in most instances, resources are provided upon request, meaning that if your organization needs something — anything — notify your state contact immediately.

**Cost Shares and Duplications**

In discussing these programs, it is important to recognize that the majority of them carry cost share considerations. For example, by statute FEMA can only provide 75 percent of eligible costs on an HMGP project. For a normal FEMA Public Assistance project, the federal share is at least 75 percent, but could be more based on myriad circumstances.

Be mindful of each program's cost share(s) and remember that as a general rule, funding from one federal source cannot be used to make the matching share of another (with the exception of CDBG funds, which take on a state identity).

## Insurance Comes First

Just as important as understanding applicable cost shares is being aware of common grant rules (CFR 2 Part 200 "super circular"); specifically, that all federal funding must be net of applicable credits. As discussed in other editions of *Disaster Recovery Today,* this means that insurance is the first source of funding. In some instances, salvage may also create a credit.

Thus, federal funding is always considered to be supplemental and cannot duplicate any other direct benefits, regardless of source.

## Conclusion

Regardless of which agency provides the funding, it is important to remember that recordkeeping and related requirements are generally consistent and must be met in accordance with OMB's Super Circular. Costs must be tracked to specific projects in a manner that demonstrates "who was doing what, where, when, why, for how long and using what piece of equipment." While many believe this metric is only to support force account labor, contractors must be able to provide this level of cost support in most circumstances as well.

In addition to documentation, it is important not to mix funding from various agencies — which is sometimes difficult depending on who is providing guidance. FEMA's position is as follows:

"For certain types of facilities, other Federal agencies have authority to provide disaster assistance. Public assistance is not available for the permanent repair of such facilities and is limited to emergency work. This is true even when the responsible agency lacks funds. When an applicant requests Public Assistance for a facility whose repair FEMA considers to be within the authority of another Federal agency, FEMA will ask the specific Federal agency with responsibility to review the request and advise FEMA whether the work would be eligible under that agency's authority. If the work falls outside the statutory authority of that agency, FEMA may consider providing assistance for the work under the Stafford Act." (Source: FEMA, 2007)

While seemingly straightforward, this passage is often interpreted and applied differently by FEMA regions or even by FEMA staff working from the same facility. Ideally, as the coordinator of all federal relief efforts, FEMA will strive to be ahead of these issues and minimize any confusion for sub-recipients.

History shows that funding sources will eventually work themselves out. It is important, however, to prioritize the various sources to make the process more efficient and effective.

The bottom line is that having a working knowledge of all funding sources and a thorough strategy for employing them can be a huge benefit in a disaster recovery effort.

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