



**State
Emergency
Management
Agency**

**Paul D. Parmenter
Director**

Federal Disaster Declaration

A Governor's request for a declaration from the President **"shall be based upon a finding that the disaster is of such magnitude and severity that effective response is beyond the capabilities of the state and local governments"**.

(Section 401, Public Law 93-288)

Missouri Disaster Statistics

Up until 2006, Missouri averaged one Federal Disaster Declaration a year.

Since January 2006, Missouri has received 16 major disasters, 3 emergency disasters, and 6 SBA disasters.

During that period, Missouri averaged six (6) Federal/SBA disaster declarations a year.

SEMA Disaster Recovery staff are now working 15 open disasters. (1,525 jurisdictions)

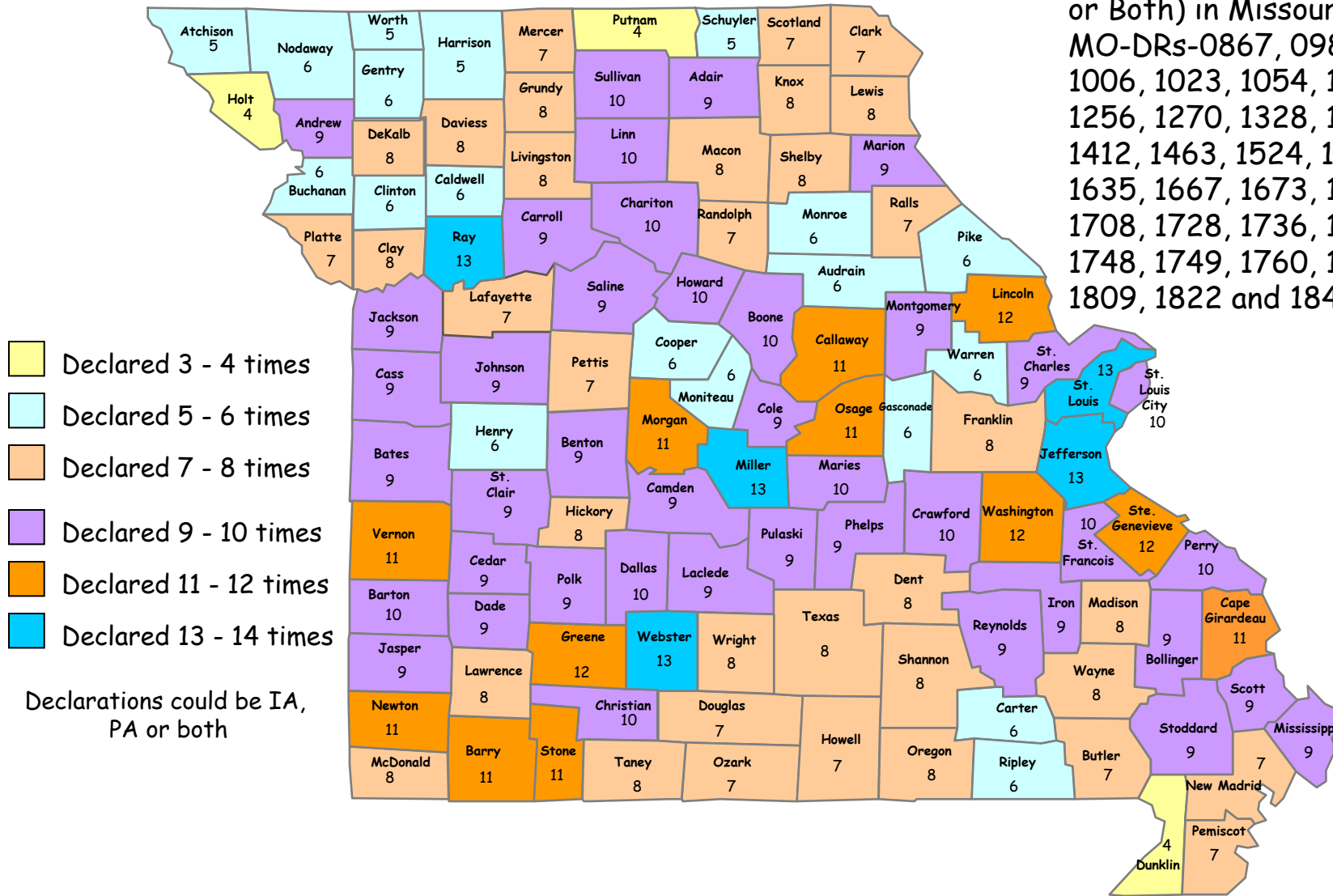
Missouri Disaster Statistics

Total costs for those disasters by program are approximately:

Public Assistance:	\$618.4 million.
Individual Assistance:	\$38.7 million.
Hazard Mitigation:	\$59.3 million
Small Business Administration:	\$66.9 million
TOTAL:	\$783.3 million

Missouri Disaster Declarations 1990 thru Present

Counties Designated (IA, PA, or Both) in Missouri
MO-DRs-0867, 0989, 0995, 1006, 1023, 1054, 1253, 1256, 1270, 1328, 1403, 1412, 1463, 1524, 1631, 1635, 1667, 1673, 1676, 1708, 1728, 1736, 1742, 1748, 1749, 1760, 1773, 1809, 1822 and 1847

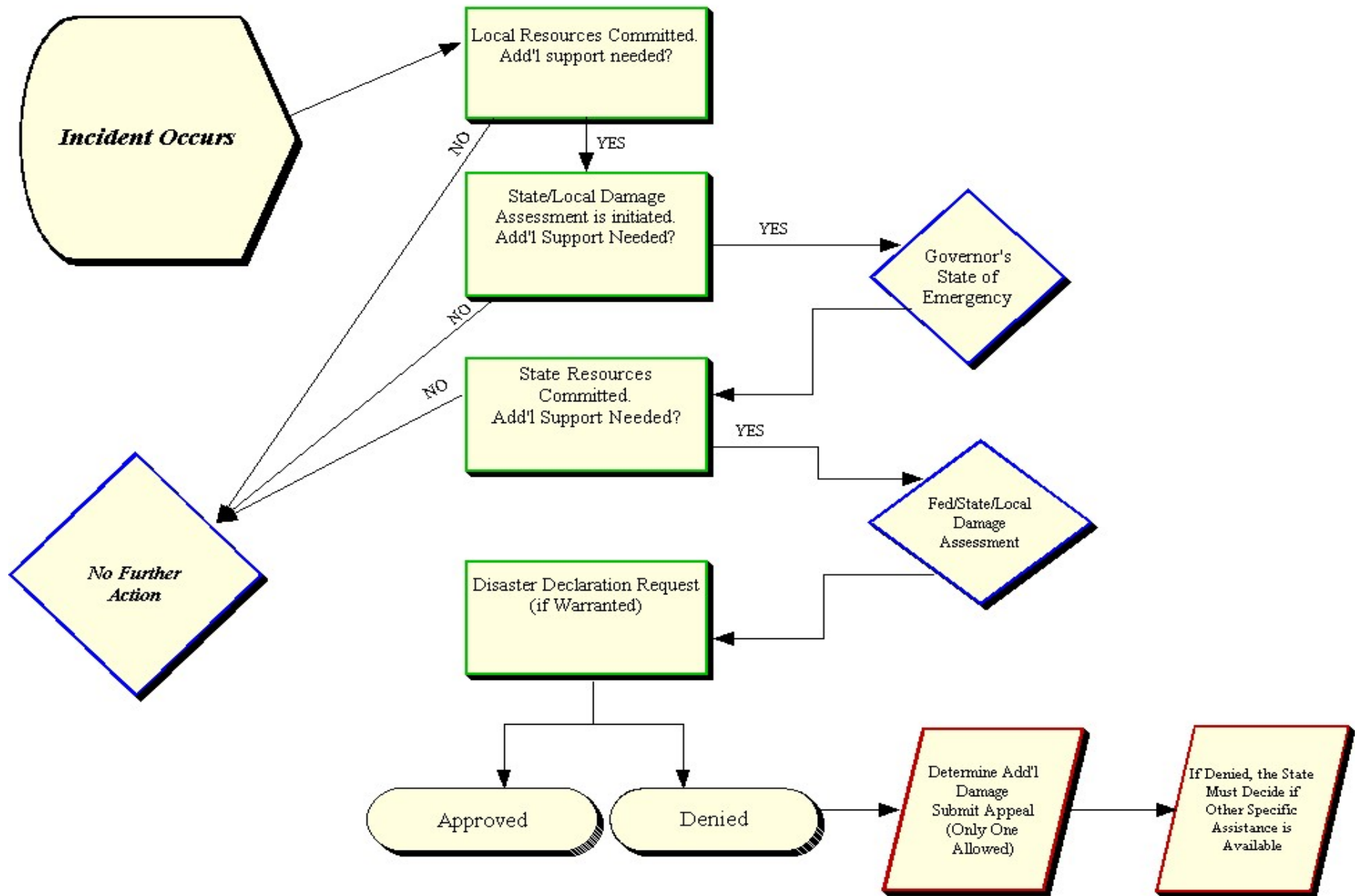


Factors Considered for Disaster Declaration (Public Assistance)

- Estimated cost of **eligible** assistance:
 - (State-wide impact of \$1.31 per capita).
 - (County-wide impact of \$3.28 per capita).

(These per capita figures are adjusted each year by FEMA.)
- Localized impacts.
- Insurance coverage in force.
- Reduction in losses due to prior hazard mitigation measures.
- Recent multiple disasters.
- Programs of other federal assistance.

Disaster Declaration Process



*Cost
Eligibility and
Documentation
Requirements*

Generally, costs that can be directly tied to the performance of eligible work are eligible. Such costs must be:

- Reasonable and necessary to accomplish the work.
(OMB Circular A – 87)
- Compliant with Federal, State, and local requirements for procurement. (OMB Circular A – 87 and A – 133; Code of Federal Regulations (CFR) 44, Section 13.36)
- Reduced by all applicable credits, such as insurance proceeds and salvage values.

PROCUREMENT

- In performing work, applicants must adhere to all Federal, State, and Local procurement requirements. (Local procurement procedures must be in writing. (44 CFR 13.36)
- Normal procedures must **NOT** be altered because of the potential for reimbursement from Federal funds.
- Local procurement procedures must meet or exceed State / Federal requirements.
- Contracts must be of reasonable cost, must be competitively bid, and must comply with Federal, State, and Local procurement standards.
- Copies of contracts, bid tabs, and identification of selected contractor must be provided to SEMA, prior to the obligation of funds.

PROCUREMENT

- Applicant must provide SEMA with written justification for selection of contractor other than lowest bid PRIOR to award of contract.
- SEMA will provide a written response regarding the eligibility of the selection back to the applicant.
- Must comply with the Revised Statutes of Missouri (RSMo) Sections 285.525 through 285.555 (Illegal Immigrants) to ensure that “no business entity or employer shall knowingly employ, hire for employment, or continue to employ an unauthorized alien to perform work within the state of Missouri”.
- The below site may be of assistance to the state and local communities when determining whether certain contractors are debarred or not.

Shortcut to Federal website: <http://www.epls.gov/>

Shortcut to State website: http://www.consumer.ago.mo.gov/Know_MO

PROCUREMENT

- Time and Materials contracts should be avoided. FEMA will generally allow these contracts **for the initial 70 hour emergency period ONLY**.
- Applicants must carefully monitor and document contractor expenses, and a cost ceiling or “not to exceed” provision **MUST** be included in the Time and Materials contract.
- Cost plus a percentage of cost contracts and contracts contingent on FEMA reimbursement are **NOT** eligible.

Wage Rates

- Missouri Prevailing Wage Laws DO APPLY.
- The Davis-Bacon Act (Federal Prevailing Wage) does NOT apply to State and Local contracts for work completed using public assistance funds under the Stafford Act.
- Questions concerning the applicability of Missouri prevailing wage requirements should be directed to the Missouri Department of Labor and Industrial Relations.

(1-573-751-3403)

Grant Management Costs

Eligible Expenses (Project Specific):

- Identifying damages:
 - Phone calls made/received to gain information.
 - Any on-site visits.
 - Discussions with response/recovery personnel.
- Completing documents needed for project work:
 - Preparing files and filing system.
 - Time spent preparing/reviewing forms/documents.
 - Costs to copy/mail documents.

Grant Management Costs

Eligible Expenses (Project Specific):

- Assessing Damages:
 - Collecting cost data.
 - Developing Costs estimates.
 - Office supplies.
- Project Monitoring and Final Inspection:
 - Site inspections.
 - Project worksheet reviews.
 - Meetings with State/FEMA for interim & final site inspections.

Audits & Compliance

- Subgrantees must maintain records that identify the source and application of funds for financially assisted activities.
- Subgrantees must establish a project file (or site-file for multiple site projects) containing the approved corresponding PW and all documentation pertaining to the project (or site).
- Subgrantees must follow the same or more stringent internal controls when accounting for and expending disaster grant funds as it does for its annual operating revenue.

Audits & Compliance

- Approval of your procurement procedures, cost documentation, source documents, etc by representatives of the Federal Emergency Management Agency (FEMA) DOES NOT provide any assurance that the U.S. D.H.S. auditors will not require that you return disaster grant funds should they (OIG) disagree with those procedures.
- This information and procedures are the result of previous OIG audits within the State of Missouri.

FREQUENT AUDIT FINDINGS

POOR PROJECT ACCOUNTING:

- Did NOT account separately for costs of each project.
- NO references to payroll or daily activity reports.

UNSUPPORTED COSTS:

Claimed - \$150,00.00
(Contract Labor)

Documented - \$100,000.00
(Invoices / Cancelled Checks)

Claimed - \$300,00.00
(Force Account)

Documented - \$275,000.00
(Timesheets / Payroll)

FREQUENT AUDIT FINDINGS

DUPLICATION OF BENEFITS:

Grant - \$100,000.00

Anticipated Insurance - \$300,000.00

Actual Insurance Received - \$350,000.00

EXCESSIVE EQUIPMENT CHARGES:

Claimed (FEMA RATE) \$24 / HR LOCAL RATE - \$16 / HR

EXCESSIVE LABOR AND FRINGE BENEFIT CHARGES:

Claimed - \$10,000.00 Fringe Benefits but not paid to temp service or workers.

FREQUENT AUDIT FINDINGS

UNRELATED PROJECT CHARGES:

Claim - \$250,000.00 Repair Road "ABC"; Road "ABC" not on scope of work

UNAPPLIED CREDITS:

Applicant failed to credit FEMA project for \$15,000.00 for proceeds from sale of scrap material (electrical distribution system).

POOR CONTRACTING PROCESSES:

- Failure to document contractor selection
- No competitive process
- No documentation on use of "other than low bidder".
- Use of cost plus % of cost contracts
- Time and materials contract with NO "not to exceed" price

Recurring Issues

- Ensure appropriate and/or sufficient people attend the PA Applicant's Briefing.
- Documentation of eligible costs.
- Use proper contracts and unit costs.
- Follow approved/established procurement processes in accordance with State and Federal guidelines.
- COMPLY WITH THE APPROVED SCOPE OF WORK.

Recurring Issues

- Identify all damaged sites.
- Movement of non-disaster debris.
- Debris removal from private property IS NOT ELIGIBLE.
- Oversight of projects & contracts.
- Compliance with environmental or historic requirements.
- Information flow to the public.
- Information flow between the Applicant, SEMA, and FEMA.

CONTACT INFORMATION

SEMA Disaster Recovery Section

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