

FEMA Public Assistance Eligibility and Documentation Best Practices for Healthcare Applicants: Addressing the COVID-19 Public Health Emergency

April 2020



FEMA Public Assistance Eligibility and Documentation Best Practices for Healthcare Applicants:
Addressing the COVID-19 Public Health Emergency – April 2020

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I. Introduction:

The purpose of this document is to outline FEMA eligibility and cost documentation best practices for healthcare applicants and FEMA Public Assistance (PA) applicants within the context of the current COVID-19 emergency response. Applicant, facility, and work eligibility details can be found in appendices 1, 2, and 3.

Healthcare and Medical Care Facilities are on the front lines combating the COVID-19 Public Health Emergency. Public and certain private nonprofit (PNP) hospitals are eligible to apply for FEMA PA Category B Emergency Protective Measures Funding. These best practices are based on federal regulations, the [Public Assistance Program and Policy Guide \(PAPPG\)](#), FEMA's COVID-19 specific guidance¹, Inspector General audits, and years of experience on supporting FEMA grant programs. See appendix 4 for some key Department of Homeland Security Office of the Inspector General Audits of FEMA's Public Assistance programs, which address several common mistakes made in the past by hospital, private nonprofit, and other applicants. All applicants should thoroughly read FEMA's COVID-19 Streamlined Project Application guidance in order to understand the exceptions to existing FEMA Public Assistance policy and how FEMA is applying policy to the unprecedented COVID-19 public health emergency.²

Public Assistance grants are subject to specific eligibility requirements. FEMA assesses eligibility at four levels: applicant, facility, work, and cost and refers to these as the "building blocks" of the eligibility pyramid. FEMA typically starts at the bottom of the pyramid, first assessing applicant eligibility and working up to the top of the pyramid, ending at eligible costs. **For private nonprofits (PNPs), the State and FEMA will determine whether the PNP applicant is eligible by reviewing its proof of nonprofit status.** Subsequently, FEMA will determine which facilities can be included, which will in turn limit which work is eligible. Only work performed at eligible facilities will be considered eligible. In the case of COVID-19 response, all work must be addressing an immediate threat. Eligible costs are considered last and include labor, equipment, and materials of the applicant (force account labor, equipment, and materials) as well as contract costs.



¹ FEMA has released guidance on activities and costs eligible for PA funding including: [FEMA's Public Assistance Program and Policy Guide \(PAPPG\)](#); FEMA Fact Sheet [Coronavirus \(COVID-19\) Pandemic: Eligible Emergency Protective Measures](#); FEMA Fact Sheet: [Coronavirus \(COVID-19\) Pandemic: Emergency Medical Care](#); FEMA Fact Sheet: [Public Assistance: Non-Congregate Sheltering Delegation of Authority](#); FEMA Fact Sheet: [Coronavirus \(COVID-19\) Pandemic: Non-Congregate Sheltering- FAQ](#); FEMA Fact Sheet: [Procurement Under Grants: Under Exigent or Emergency Circumstances](#); FEMA Fact Sheet: [Coronavirus \(COVID-19\) Pandemic: FEMA Assistance for Tribal Governments](#); FEMA Fact Sheet: [Coronavirus \(COVID-19\) Pandemic: Private Nonprofit Organizations](#). Visit [FEMA's News Release](#) page for additional resources as new materials are released on a daily basis.

² Submitting a Public Assistance Funding Request for COVID-19: FEMA Public Assistance COVID-19 Streamlined Project Application. April 10, 2020.



II. Cost Eligibility

After an applicant, facilities, and work is deemed eligible, the eligibility of specific costs must be analyzed. The following section outlines four main categories of costs: force account labor, force account equipment, force account materials, and contract costs. Costs must be reasonable and equitable for the type of work performed.

Duplication of Benefits, Deductions, and Donated Resources:

All eligible costs will be reduced by all other funding and revenue sources and the remainder will be covered by FEMA Public Assistance, which is considered the funding of last resort. This includes costs that are covered by insurance policies, other federal funding streams such as Health and Human Services (HHS) and Centers for Medicare and Medicaid Services (CMS), as well as any recovered salvage costs.³ In section IV of the FEMA COVID-19 Simplified Project Application, applicants will certify that benefits are not duplicated and that if they do receive funding from another federal source, they will notify the Recipient (state) and FEMA to initiate a funding reconciliation. Applicants will account for their deductions including insurance, donated resources, etc. in Section 3 of Schedule A of the COVID-19 Simplified Project Application.⁴

Donated resources can be used as an offset to the non-federal match (25%) of the FEMA PA program as long as the donated resources are from a third party, the resources are used to perform eligible Emergency Work, and the applicant tracks the resources and work performed (description, locations, and hours). Eligible donations include labor, equipment, supplies, and cash donations used for the emergency response activities. See pages 35 and 36 of FEMA's Public Assistance Program and Policy Guide (PAPPG) for additional details.

Documentation Requirements:

Initial cost documentation requirements for expedited projects are much lower than for regular projects; however, it is best practice to apply for an expedited project with as much information as possible. Table 1 below outlines the minimum documentation needed to submit a project worksheet (PW) based on estimates for expedited payments as well as the documentation for subsequent PW versions based on actuals. The following sections outlining best practices for eligible cost categories are based on long term documentation requirements based on actuals that will ultimately be needed to substantiate the initially estimated costs in later versions of PWs.

Applicants should review and complete Schedule C and Schedule D of the FEMA COVID-19 Streamlined Project Application for in progress work estimates including cost eligibility and deductions and Large Project Eligibility Questions respectively (pp. 15 – 25).

³ FEMA PAPPG, pp. 39- 41

⁴ COVID-19 Streamlined Project Application, pp. 7—8 and pg. 11



Table 1. Summary of Cost Categories and Required Documentation

Cost Category	Minimum for PW Version 0 (Estimate)	Documentation for Subsequent PW Versions (Actuals)
Force Account Labor	<ul style="list-style-type: none"> <input type="checkbox"/> Number of personnel; average hours per day/days per week; <input type="checkbox"/> Average pay rate (If none, FEMA will estimate \$20 per hour.) 	<ul style="list-style-type: none"> <input type="checkbox"/> Name of employee, job function, title, type of employee <input type="checkbox"/> Timesheets, Days and Hours worked, description of work performed and activity log, Labor summaries <input type="checkbox"/> Proof of payment and pay rate schedules <input type="checkbox"/> Labor policies
Force Account Equipment	<ul style="list-style-type: none"> <input type="checkbox"/> Amount and type of equipment used, average hours per day/days per week, and hourly rate <input type="checkbox"/> Rented: rental agreement and pricing 	<ul style="list-style-type: none"> <input type="checkbox"/> Type of equipment including, year, make, and model <input type="checkbox"/> Size or capacity of equipment <input type="checkbox"/> Hours worked, including the location and day <input type="checkbox"/> Usage and operator <input type="checkbox"/> Schedule of rates
Materials, Supplies	<ul style="list-style-type: none"> <input type="checkbox"/> Amount and type of materials; purchase or stock replenishment cost 	<ul style="list-style-type: none"> <input type="checkbox"/> Material usage and inventory withdrawal records including the types of supplies and quantities used <input type="checkbox"/> Purchased equipment proof of payment and invoices (such as ventilators)
Contract Costs	<ul style="list-style-type: none"> <input type="checkbox"/> Copy of request for proposals, bid documents/signed contracts 	<ul style="list-style-type: none"> <input type="checkbox"/> Invoices <input type="checkbox"/> Contracts <input type="checkbox"/> Proof of payment <input type="checkbox"/> Bid documents

Common challenges and mistakes across all cost categories and across many types of applicants include:

- 1) Improper accounting of disaster versus non-disaster funds: This includes but is not limited to, not tracking FEMA disaster funding by project, comingling of FEMA disaster funds with other costs, or intentional use of disaster funds for ineligible costs.
- 2) Insufficient or missing proof of payment for eligible costs: Most often proof of payment will be missing or insufficient for contract work or labor due to the accounting system of some applicants. For example, some applicants provide “proof of payment,” that is an excel output from their internal accounting system as opposed to documentation verified by a third party such as a cancelled check or bank transfer statements.
- 3) Inclusion of ineligible costs including but not limited to costs for work performed outside of the period of performance or project scope of work.
- 4) Violation of labor policies such as requesting reimbursement for overtime that was not approved by a supervisor when an applicant’s labor policy requires prior approval.
- 5) Insufficient documentation to support costs such as missing or inadequate timesheets, equipment and supply usage logs, invoices, contracts, and proof of payment.
- 6) Not following federal procurement standards following the conclusion of the exigent or emergency period.
- 7) Duplication of benefits of funds from other Federal sources such as HHS and CMS.



Force Account Documentation Best Practices: Force Account Labor

What force account labor costs are eligible for Category B Emergency Protective Measures. Certain categories of eligible medical facilities' own employees labor related to the COVID-19 response will be reimbursable if tracked and documented correctly.

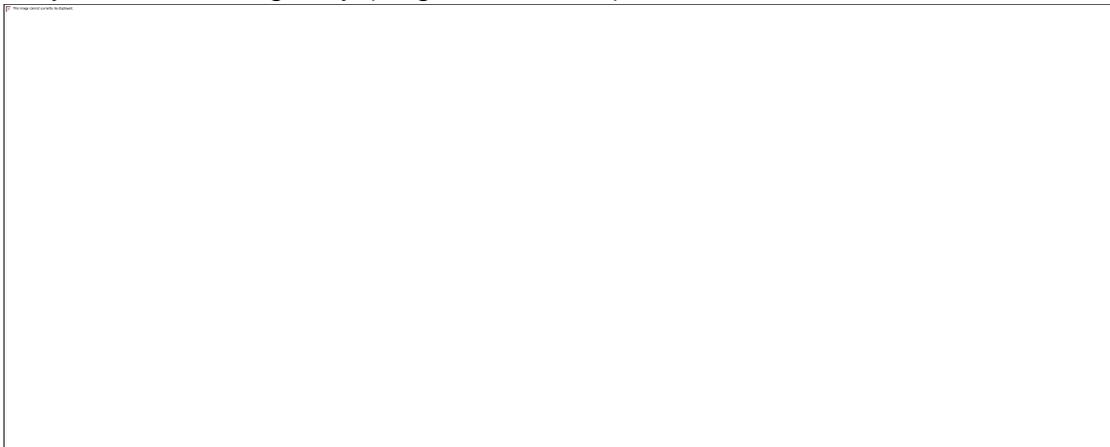
Force Account Labor eligibility

Hours of work completed by the applicant's personnel who complete the scope of work within a project. All hours and employees charged must be eligible work for FEMA Public Assistance Category B generally (appendix 5a) and based on COVID-19 specific guidance described in appendices 5b and 5c below.

Generally permanent and emergency work are eligible, but for the COVID-19 response, only **emergency work** is eligible:

- For budgeted employees doing emergency work, only overtime labor costs are eligible.
- For unbudgeted employees doing emergency work, both straight time and overtime labor costs are eligible

Emergency Work Cost Eligibility (Page 24 PAPPG)



Cost Eligibility is determined by:

- Severity of the incident
- Whether work was performed at a time when extraordinary hours were necessary
- The function of the employee for which the hours are claimed
- The number of consecutive hours the employee worked



Required Labor Documentation: The table below outlines key categories and their sub-categories of necessary documentation as well as best practices based on FEMA policy guidance and FEMA SMEs. Note that the quality and detail of documentation for force account labor are key in ensuring all eligible costs are covered.

Category	Documentation	Details	Best Practices	Common Errors
Employee Details	Name	FEMA needs to know if employees are budgeted, unbudgeted, hourly, exempt, etc. Temporary employees hired for COVID-19 response, or medical professionals working on other medical issues will have different requirements.	Clearly track each employee's category and job function(s). This information should be clearly noted on their timesheets for ease of validating that their pay rate is being charged correctly and is in line with labor policy.	Failing to properly track the type of employee makes it challenging for auditors to determine if straight or overtime are eligible.
	Job Function			
	Title			
	Type of Employee			
Tracking time	Timesheets	Timesheets must be "signed" physically or electronically by the employee and by their supervisor. Electronic signatures include approval through an online time tracking system.	Verify timesheet approval practices used for FEMA funded activities follow both FEMA rules (signed by employee and their supervisor) as well as company's own labor policies.	<ul style="list-style-type: none"> Timesheets that are illegible, not signed, or verified by applicant management. Not differentiating between type of work activities commonly occurs. Staff in medical facilities will be working on both eligible and ineligible activities. Tracking hours without clearly differentiating overtime and straight time creates problems when only overtime costs are reimbursable.
	Days and hours worked	Applicants should log all hours performed. If an employee is also working on other work, a differentiation in type of work being performed must be clear on timesheets and labor summaries as straight time will not be eligible in all cases.	Set up a separate charge code for COVID-19 response will differentiate what hours can be included in a Category B project. Hourly and fulltime salaried staff may usually track their time differently; however, distinction in time used for COVID-19 specific activities is vital for FEMA reimbursement.	
	Description of work performed with activity log	Activity descriptions are necessary to validate the kind of labor performed. This is also necessary for logging any equipment usage for force account equipment.	Track hours worked, activities performed, and equipment used on a single form to ensure uniformity in claims and avoid accidentally claiming equipment usage for incorrect dates, times, and staff.	
	Labor Summaries	Labor summaries, like timesheets, must also be signed and verified by a supervisor or accountant.	Ensure labor summaries correctly capture employee's information in line with FEMA requirements and company's own labor policies. If such summaries do not exist, use the labor summary forms provided by FEMA for applicants to use.	
				See DHS OIG Audit report of Riverside Hospital in Texas for an example of an applicant not delineating disaster and non-disaster costs.



Payment	Proof of payment	Employee payment verification is necessary for hours validation.	Use an easily trackable electronic payroll system. Keep third party verifiable proof of payment records such as cancelled checks or bank transfer records.	Providing insufficient or unverifiable documentation For example: Applicants might provide an excel file “output” from their internal accounting system that lacks payment transfer tracking numbers.
	Pay rate schedules and fringe benefit rate	Applicant must provide pay rate schedules for all categories of employees as well as fringe benefits, their rates and calculations.	Compile clear pay rate schedule and fringe benefit rate information for each category of employee by department/administrative structure of the hospital (see Appendix 1 for categories of employees).	<ul style="list-style-type: none"> • Providing pay rate schedule for only some departments of employees. • Only providing fringe benefit rates for certain employees
Labor policies	Pay policies	Applicant must provide all labor policies related to overtime and benefits for all categories of employees.	Conduct a review of all relevant hospital human resources, pay, overtime, and benefit policies to verify policy compliance. FEMA will only reimburse based on an applicant’s pre-existing pay policies. If an applicant’s pay policy does not pay time and a half for overtime, FEMA will not cover that time. See DHS OIG Audit report of Napa State Hospital, California for an example of an applicant violating its own labor policies.	Including labor costs on PW not normally covered by the applicant’s labor and pay policies.
	Overtime and benefit policies			



Force Account Documentation Best Practices: Force Account Equipment

Force Account Equipment Eligibility:

What force account equipment costs are eligible for Category B Emergency Protective Measures. Certain categories of eligible medical facilities' equipment usage related to the COVID-19 response will be reimbursable if tracked and documented correctly.

Applicant-owned equipment used to complete the scope of work within a project, including permanently mounted generators, based on hourly rates. All equipment usage must be eligible work for FEMA Public Assistance Category B and based on COVID-19 specific guidance. FEMA provides PA funding for applicant-owned equipment based on hourly rates, funding based on mileage for vehicles, if the mileage is both documented and is less costly than hourly rates.

In situations where applicants have insufficient equipment to respond to the disaster, FEMA will provide PA funding for: the purchase price of the equipment and the use of the equipment or the actual fuel and maintenance costs.

Section 2 of Schedule C of the FEMA COVID-19 Streamlined Project Application includes supplies or equipment that might be used in treating COVID-19 patients. Example items include in vitro diagnostic supplies, respirators, N95 respirators, medical gloves, surgical masks, medical gowns, coveralls, face shields, other personal protective equipment (PPE), decontamination systems, ventilators and products modified for use as ventilators, and therapeutics.”⁵

Equipment Rates: Equipment rates are reimbursed based on the time the Applicant is operating the equipment. Only intermittent standby time is eligible if the operator uses the equipment intermittently for over half of their working hours on a given day. Note that equipment, such as generators do not require an operator, are also eligible.

FEMA establishes equipment rates on a national basis, which includes any item powered by fuel or attached to an item powered by fuel. Rates include costs associated with ownership and operation of equipment, except labor. Rates incorporate depreciation, overhead, equipment overhaul, maintenance, lubrication, tires, ground engaging components and fuel. FEMA will honor State and Territorial Rates, Tribal Rates, or local rates in addition to the FEMA established rate

Equipment without an Established Rate: The applicant can either propose a rate for approval by FEMA or request FEMA develop and provide a rate to them. Rates submitted by applicant must be in line with current market prices and cannot include cost components such as profits that are not directly involved with operating and maintaining the equipment.

Required Equipment Documentation:

Category	Documentation	Details	Best Practices	Common Errors
Equipment Operator	Name	FEMA needs to know which employees are operating which equipment in order to validate its usage. The exception to this is equipment that does not require an operator.	Clearly track each employee's category, job function(s), and time worked as well as any equipment utilized during their time worked. This information should be clearly noted on their timesheets for ease of validating that their pay rate is	Applicants who do not organize equipment utilized with time worked by individual employees will often attribute equipment usage to the wrong
	Job Function			
	Title			
	Time worked (see below)			

⁵ COVID-19 Streamlined Project Application, pg. 20.



			being charged correctly and is in line with labor policy. Example: Document hours worked, equipment used, and activity log within each individual employee's timesheets.	person or to the wrong day.
Equipment Details	Year, make, and model	FEMA reimburses for equipment usage based on type and size of vehicle and FEMA's schedule of equipment rates from the most recent year or STTL equipment rates.	Applicants should clearly track equipment used by each employee in accordance with their hours worked. Additionally, they should uniformly use one schedule of equipment rates. The best practice is to use FEMA's schedule of equipment rates if possible. If a FEMA rate does not exist ensure a market rate is used and approved by FEMA. See DHS OIG Audit report of Jefferson Hospital in Metairie, Louisiana for an example of improper documentation.	<ul style="list-style-type: none"> Using FEMA's equipment rate schedule based on the capacity or size of the vehicle instead of based on the corresponding name or equipment code. Failing to collect appropriate documentation on equipment used.
	Size and capacity of equipment			
	Schedule of Equipment Rates			
Tracking time	Timesheets	Signed and verified timesheets must be provided for each equipment operator in order to verify the time worked.	Verify timesheet approval practices used for FEMA funded activities follow both FEMA rules (signed by employee and their supervisor) as well as company's own labor policies.	Not clearly delineating disaster, in this case COVID-19 related equipment operation, make it impossible to determine which costs are eligible.
	Days and hours worked	All time should be correctly tracked and attributed to the appropriate activity.	Set up a separate charge code for COVID-19 response will differentiate what hours can be included in a Category B project.	
	Description of work performed with activity log	Must include location and time of work performed as well as equipment used.	Track hours worked, activities performed, and equipment used on a single form to ensure uniformity in claims and avoid accidentally claiming equipment usage for incorrect dates, times, and staff.	



Force Account Documentation Best Practices: Force Account Material and Supplies

Force Account Material Eligibility:

Materials and supplies are considered eligible if they are taken from the applicant’s stock and used for the incident or are purchased and justifiably needed to effectively respond to and/or recover from the incident. In this case such supplies would be those utilized for response to COVID-19. For example, personal protective equipment (PPE) such as N95 masks previously purchased for the hospital, but utilized by the emergency room to protect staff against COVID-19 patients could be replaced/reimbursed by FEMA PA. Stock items will be reimbursed based on the applicant’s established method of pricing inventory or based on historical data or prices from area vendors if they lack an established method.

For materials, equipment, and supplies that are purchased to meet the needs of the disaster, invoices should be provided. An example is the purchase of additional ventilators to meet the increased need for COVID-19 patients. Items acquired through a contract with local vendors during the exigent period will not have to be done through a competitive bidding process; however, items acquired after that time will need to follow Federal procurement guidelines. Section 2 of Schedule C of the FEMA COVID-19 Streamlined Project Application includes supplies or equipment that might be used in treating COVID-19 patients. Example items include in vitro diagnostic supplies, respirators, N95 respirators, medical gloves, surgical masks, medical gowns, coveralls, face shields, other personal protective equipment (PPE), decontamination systems, ventilators and products modified for use as ventilators, and therapeutics.”⁶

Category	Documentation	Details	Best Practices	Common Errors
Material usage and inventory withdrawal records	Types of Supplies	FEMA will need to verify the type(s) and quantities of supplies and materials utilized in response to the declared disaster. For supplies that come from the applicant’s stock, the inventory system will serve as the proof of payment and basis for cost reimbursement.	Applicants who have a clear inventory withdrawal system that tracks the type and amount of supplies and how they are used will have the easiest time proving the eligibility of their materials costs. For applicants without such a system, they should collect historical data and prices from vendors in their area.	Use of unorganized or unclear inventory management systems result in an inability to assess which supplies can be reimbursed by FEMA.
	Quantities Used			
Acquisition and Payment	Invoices	Sometimes applicants will need to purchase additional equipment, such as ventilators. Invoices and proof of payment are required back up documentation.	Equipment acquired during the exigent or emergency period does not need to adhere to Federal procurement regulations in order to protect the health and safety of the impacted populations. Applicants should ensure that equipment purchased through a contract outside of the exigent period were acquired through a competitive bidding process. See FEMA Guidance on Procurement Under Exigent or Emergency Circumstances.	Lack of appropriate documentation including invoices and proof of payment is the most common error for purchased items. See DHS OIG Audit report of Jefferson Hospital in Metairie, Louisiana for an example.
	Proof of payment			

⁶ COVID-19 Streamlined Project Application, pg. 20.



Contract Costs:

Contract Cost Eligibility

Outside of exigent and emergency circumstances, applicants must meet Federal procurement and contracting requirements when receiving financial assistance under a Public Assistance project award. All costs associated with a contract of any kind, whether it is contracted labor, equipment purchases or rentals, materials/supplies require contract documentation and a competitive procurement process according to Federal procurement standards for State and Territorial governments (note standards for Tribal governments, local governments, and private nonprofits differ, but most are universal). In addressing COVID-19, only Category B Emergency Protective Measures are eligible during this exigent and emergency period. OMB and FEMA have waived the Federal Procurement standards in order to save lives. Applicants should note that after the exigent period has concluded, standard Federal procurement rules will apply. Specifically, a contract awarded to a vendor during the exigent period that did not go through a competitive bidding process, will have to go through such a process at that time. See appendix 3 for details on Federal Procurement standards and exceptions to those rules.

Category	Documentation	Details	Best Practices	Common Errors
Procurement	Bid Documentation	During exigent periods bid documentation is not necessary. However, it will be required for any work outside of the exigent period. FEMA will require contracts between the applicant and any subcontractors whether it is contact labor, contract materials, etc.	Applicant's procurement processes should follow federal procurement standards when possible and should be prepared to implement competitive processes following the exigent period. Applicants must keep documentation for all contracts in order for those costs to be eligible for reimbursement. Applicants should be sure to document how the costs charged by subcontractors are reasonable.	Lack of documentation to back up invoices including missing contracts between the applicant and relevant contractors lead to ineligible costs. See DHS OIG Audit report of Jefferson Hospital in Metairie, Louisiana for an example of insufficient contract documentation. This applicant only maintained contract records for 6 of 66 contracts.
	Contracts			
Acquisition and Payment	Invoices	Any purchases related to contracts require an invoice that clearly outlines the costs and any related back up documentation. Invoices and proof of payment are required back up documentation.	Invoices should be clearly numbered and itemize costs to insure only eligible costs are reimbursed. For example, contract labor will also need to show documentation for rates and hours worked. Proof of payment should be included and 3 rd party verifiable such as a cancelled check.	Lack of appropriate documentation including invoices and proof of payment is the most common error for purchased items. See DHS OIG Audit report of Jefferson Hospital in Metairie, Louisiana for an example of improper documentation.
	Proof of payment			



III. Appendices:

Appendix 1: Applicant Eligibility

Eligibility for Private Nonprofit Organizations:

FEMA Public Assistance Program and Policy Guide (PAPPG) and [44 CFR 206](#) allow **private PNP organizations or institutions which own or operate a private medical facility** to apply for PA funds. PNPs must have a documented request or guidance from the State Emergency Management Agency to do work under Emergency Protective Measures.

Private nonprofit (PNP) organizations must provide one of the following forms of documentation to prove their tax-exempt status:

- An effective U.S. IRS ruling letter from, granting tax exemption under sections 501(c), (d), or (e) of the Internal Revenue Code; or,
- A letter or other evidence from the State indicating its nonprofit status.

Eligibility for Mixed Profit/Nonprofit Entities:

If a private nonprofit (PNP) parent medical facility owns a for-profit subsidiary performing specific services (e.g., research to commercial application) that are not attributable to the parent PNP:

- The parent PNP is eligible for FEMA Public Assistance (PA) funding **unless**:
 - Commercial activities of its subsidiary can be considered as activities of the parent;
 - The subsidiary is incorporated, but in practice is an arm, agent, or integral part of the parent.

The for profit subsidiary is not eligible for FEMA PA funding, but is eligible for [Public Health and Social Services Emergency Fund](#) and other grants as specified by the Health and Human Services (HHS) Secretary. Also, [State, Local, Tribal, and Territorial \(SLTT\) government entities may contract with for profit hospitals to carry out eligible emergency protective measures. FEMA will reimburse the eligible nonprofit Applicant for the cost of eligible work, and the Applicant will then pay the private for profit entity for the provision of services, per the service agreement.](#)

FEMA's explicit guidance on PNP eligibility is limited to the definition of a PNP and the categories of eligible critical services. Determination of an entity's eligibility often falls to the discretion and analysis of applicable laws, regulations, and FEMA's policies. In the case of an undesired determination, applicants can appeal the eligibility determination through [FEMA's appeals process](#).

Eligibility for Public Entities:

Following public entities are eligible for PA funds:

- State and Territorial governments, including the District of Columbia, American Samoa, the Commonwealth of the Northern Mariana Islands, Guam, Puerto Rico, and the U.S. Virgin Islands;
- Federally recognized Indian Tribal Governments;
- Local governments: counties and parishes; municipalities, cities, towns, boroughs, and townships; local public authorities; school and intrastate districts; councils of governments; regional and interstate government entities and agencies or instrumentalities of local governments; State-recognized Tribes and special districts established under State law.



Appendix 2 Facility Eligibility:

Facility eligibility depends on the type of the eligible applicant (E.g., a PNP or a public entity) that owns or operates it. Eligible applicants must also own or operate an eligible facility - a building, works, system, or equipment, built or manufactured, or an improved and maintained natural feature.

Private Nonprofit and Mixed Facilities

An eligible nonprofit facility **is owned and operated by one or more nonprofit corporations** or associations of which no part of the net earnings benefit or advantages any private shareholder or individual.

- The eligible PNP must be legally responsible for disaster-related repairs/enhancements whether they own a facility or lease it. If the client leases a facility of a third party and uses it for eligible work, it may be eligible for assistance. The lease, pre-dating the disaster, must clearly specify that the client is responsible for major enhancements and not just maintenance.
- If the eligible PNP only owns a portion of the facility, it is eligible provided that the PNP owns more than 50 percent of the facility and dedicates more than 50 percent of physical space for eligible services.
- If the eligible PNP owns the entire facility and leases a portion of it to another entity, the facility is eligible provided that the PNP dedicates more than 50 percent of the facility for eligible services.
- If the PNP leases 50 percent or more of the facility to an ineligible entity, or for ineligible services, then the facility is ineligible.

An eligible facility is one that **provides an eligible service**, which includes education, utilities, emergency, **medical**, custodial care, and other essential social services to the general public.

- When a facility provides both eligible and ineligible services (mixed-use facility), its eligibility depends on the primary use of the facility, which is determined by the amount of physical space dedicated to eligible and ineligible services:
 - If more than 50% of the operating time and physical space in the facility is dedicated to ineligible service, the entire facility is not eligible;
 - If more than 50% of the operating time and physical space in the facility is dedicated to eligible service, FEMA prorates funding based on the percentage of physical space dedicated to eligible services.

Nonprofit Medical Facilities Include:

- Hospitals
- Outpatient Facilities
- Rehabilitation and Long-term care Facilities
- Administrative and support facilities essential to the operation

Public Facilities:

An eligible public facility is one that a State, Territorial, Tribal, or local government owns or has legal responsibility for maintaining, including any public building, structure, or system, used for educational, **emergency, medical**, recreational, or cultural purposes.



Appendix 3 Work Eligibility:

After applicants are deemed eligible and the facilities in which the work have also been judged to be eligible, FEMA will assess work eligibility. FEMA divides work into two main categories: emergency work and permanent work. These two categories are then sub-divided to capture eligible work; however, only emergency work through category B Emergency Protective Measures is eligible in COVID-19 disaster declarations.

Applicant work must meet three criteria:

1. The work must be a result of the declared incident.
 - FEMA requires the applicant to demonstrate that the work is the direct result, and therefore completely necessitated by the incident.
2. The work must be in a designated area (defined within the declaration).
 - Disaster declarations will define the “disaster area.” The work must occur within the defined disaster location to be eligible. If no specific location is named, FEMA determines eligibility based on the applicant’s legal responsibility the ability to tie the work back to the incident.
3. Eligible work must be the legal responsibility of the applicant.
 - For applicants performing emergency work, the applicant must demonstrate a legal responsibility or jurisdiction over the work being performed at the time of the disaster.

Applicants should capture the following information about eligible activities:

- Operational period (30, 60, or 90 days, or to mirror the declaration’s period of performance)
- List high-level description of activities
- Description of threat to life or property that necessitate activities
- Location(s) where activities were performed
- Confirmation that the work is the legal responsibility of the Applicant⁷

COVID-19 Eligible Work Activities:

Many different work activities are eligible under emergency protective measures for COVID-19 response. Below is a list of some key eligible work examples.

Management, control and reduction of immediate threats to public health and safety:

- Training specific to the COVID-19 response
- Emergency Operations Centers and Meals: Applicants can use an EOC in order to direct and coordinate their resources and response activities for a period of time. Examples include, but are not limited to:
 - Increased utility costs
 - Costs to lease a facility
 - Meals: Meals are covered for employees and volunteers engaged in eligible emergency work, as long as they are not on a per diem.
 - One of the following must be applicable:
 - Meals must be required based on labor policy or a written agreement, or
 - Employees must be working abnormal extended work hours without a reasonable amount of time to provide for their own meals, or
 - Food or water is not reasonably available for employees to purchase

⁷ From Expedited Funding for COVID-19 Public Assistance FEMA Job Aid.



- Disinfection of eligible public facilities (Facilities that are deemed eligible for Category B funding will be eligible here).
- Technical assistance to STTL governments on emergency management and control of immediate threats to public health and safety
- Communications to the public regarding general health and safety information.
- Security and law enforcement

Emergency Medical Care:

- Non-deferrable medical treatment of infected persons in a shelter or temporary medical facility
- Related medical facility services and supplies:
 - Supply costs:
 - The purchase, packaging, and delivery costs of lifesaving and life-sustaining commodities
 - Purchase of ventilators
 - Personal protective equipment costs for healthcare providers who are treating COVID-19 patients are eligible because such equipment is necessary to prevent further spread of the virus and protect healthcare workers.⁸
- Temporary Medical Facilities and/or enhanced medical/hospital capacity (for treatment when existing facilities are reasonably forecasted to become overloaded in the near term and cannot accommodate the patient load or to quarantine potentially infected persons)
- Use of specialized medical equipment
- Medical waste disposal
- Emergency Medical transport

Medical Sheltering:

- All sheltering must be conducted in accordance with standards and/or guidance approved by HHS/CDC and must incorporate social distancing measures
- Non-congregate medical sheltering is subject to prior approval by FEMA is limited to that which is reasonable and necessary to address the public health needs of the event during the Public Health Emergency. Requests should mirror state and/or local public health orders and guidance.
 - Applicants should work with their relevant FEMA regional administrator to gain approval. There is a template request letter available through FEMA regional offices.
 - The simplified public assistance application for COVID-19 lists the following possible types of sheltering: isolation-related temporary lodging, quarantine-related temporary lodging, high-risk population sheltering, healthcare worker and first responder temporary lodging, household pet or assistance animal or service animal sheltering.⁹
 - Additional details on non-congregate sheltering criteria can be found on the [FEMA Coronavirus \(COVID-19\) Pandemic: Non-Congregate Sheltering Frequently Asked Questions](#) and [FEMA Public Assistance: Non-Congregate Shelter Delegation of Authority Fact Sheet](#).

⁸ FEMA Coronavirus (COVID-19) Pandemic: Emergency Medical Care Fact Sheet. March 31, 2020.

<https://www.fema.gov/news-release/2020/03/31/coronavirus-covid-19-pandemic-emergency-medical-care>

⁹ Submitting a Public Assistance Funding Request for COVID-19: FEMA Public Assistance COVID-19 Streamlined Project Application. April 10, 2020.



Note that applicants are reporting the following activities, they must complete Schedule F- Environmental and Historic Preservation Questions: staging resources at an undeveloped site (part 1); storage of human remains or mass mortuary services (part 2); medical waste disposal (part 3); Decontamination systems (part 4); Establishment of temporary facilities (part 5).¹⁰

¹⁰ COVID-19 Streamlined Project Application, pg. 28.



Appendix 4: Key DHS OIG Audits and Findings

Department of Homeland Security (DHS) Office of Inspector General (OIG) FEMA Public Assistance Audit and Investigation Reports

- I. [Napa State Hospital, California, Should Improve the Management of Its \\$6.7 Million FEMA Grant.](#) OIG-18-17. DHS, OIG. November 16, 2017
 - a. Key Findings:
 - i. Applicant requested reimbursement for labor costs that are not covered by their own labor policies. Hospital's policy required pre-approval for overtime, which it did not implement in this case.
 - ii. Applicant's inventory system does not adequately substantiate material and supply costs claimed.
 - iii. Applicant did not provide maintain adequate equipment logs to support \$7,206 in equipment usage costs.
 - iv. Applicant requested reimbursement for contract costs for labor ultimately performed by its own staff and could not substantiate the contract costs with documentation.
- II. [FEMA Should Recover \\$32.4 Million in Grant Funds Awarded to Riverside General Hospital, Houston, Texas.](#) OIG-15-149-D. September 17, 2015.
 - a. Key Findings:
 - i. Applicant received duplicate benefits from HHS and CMS and received excessive funds. Hospital administrators conspired to defraud the government of funds from HHS and CMS.
 - ii. Applicant misused cash advance funds from FEMA. The purpose of expedited funding based on estimates is to meet immediate funding needs only. OIG found this hospital asked for and received more funds than were required and that they had documentation to substantiate.
 - iii. Applicant did not maintain proper accounting and comingled funds.
 1. The hospital maintained a separate cost code for FEMA disaster response funds; however, funds were moved into non-disaster accounts.
 2. Costs were not tracked on a project-by-project basis.
 3. Applicant misused funds received for disaster funding and applied them to non-disaster costs including administrative costs, annual audits, and the purchase of certificates of deposit used as collateral to receive loans.
 - iv. Applicant used funds for work completed outside of the period of performance outlined in the project scope of work.
 - v. Applicant did not maintain documentation for costs
- III. [FEMA Should Recover \\$2.3 Million of Unsupported, Unused, and Ineligible Grant Funds Awarded to East Jefferson General Hospital, Metairie, Louisiana.](#) OIG-14-53-D. March 21, 2014.
 - a. Key Findings:
 - i. Applicant did not maintain proper documentation records for contract costs, (proof of payment, contract agreements, rate schedules, or invoices).
 - ii. Applicant claimed costs outside of the scope of work and period of performance.



Appendix 5 Cost Eligibility

Appendix 5a: Emergency Work Cost Eligibility (Page 24 PAPPG)

Emergency Work Labor Eligibility		
Budgeted Employees	Overtime	Straight-Time
Permanent employee	<input checked="" type="checkbox"/>	
Seasonal employee working during normal season of employment	<input checked="" type="checkbox"/>	
Unbudgeted Employees	Overtime	Straight-Time
Essential employee called back from administrative leave	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Permanent employee funded from external source	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Temporary employee hired to perform eligible work	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Seasonal employee working outside normal season of employment	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>

Figure 11. Emergency Work Labor Eligibility



Appendix 5b: Emergency Work Eligible Costs for COVID-19 Response

Under the COVID-19 Emergency Declaration, FEMA may provide assistance for emergency protective measures including, but not limited to, the following, if not funded by the HHS/CDC or other federal agency. While some activities listed may be eligible for funding through HHS/CDC, final reimbursement determinations will be coordinated by HHS and FEMA. FEMA will not duplicate any assistance provided by HHS/CDC):

- **Management, control and reduction of immediate threats to public health and safety:**
 - Emergency Operation Center costs
 - Training specific to the declared event
 - Disinfection of eligible public facilities
 - Technical assistance to state, tribal, territorial or local governments on emergency management and control of immediate threats to public health and safety
- **Emergency medical care:**
 - Non-deferrable medical treatment of infected persons in a shelter or temporary medical facility
 - Related medical facility services and supplies
 - Temporary medical facilities and/or enhanced medical/hospital capacity (for treatment when existing facilities are reasonably forecasted to become overloaded in the near term and cannot accommodate the patient load or to quarantine potentially infected persons)
 - Use of specialized medical equipment
 - Medical waste disposal
 - Emergency medical transport
- **Medical sheltering (e.g. when existing facilities are reasonably forecasted to become overloaded in the near future and cannot accommodate needs):**
 - All sheltering must be conducted in accordance with standards and/or guidance approved by HHS/CDC and must be implemented in a manner that incorporates social distancing measures
 - Non-congregate medical sheltering is subject to prior approval by FEMA and is limited to that which is reasonable and necessary to address the public health needs of the event, is pursuant to the direction of appropriate public health officials and does not extend beyond the duration of the Public Health Emergency
- Household pet sheltering, and containment actions related to household pets in accordance with CDC guidelines
- Purchase and distribution of food, water, ice, medicine, and other consumable supplies, to include personal protective equipment and hazardous material suits
- Movement of supplies and persons
- Security and law enforcement
- Communications of general health and safety information to the public
- Search and rescue to locate and recover members of the population requiring assistance
- Reimbursement for state, tribe, territory and/or local government force account overtime costs



Appendix 5c: Coronavirus (COVID) Pandemic Emergency Medical Care Fact Sheet

FEMA has released a new Fact Sheet on COVID-19 eligible medical costs. The sheet reiterates a number of policy requirements that are already known (for-profit hospitals not eligible), but also mentions a few key points worth calling out. Long-term medical care costs, which are ineligible, are further explained in the document.

- Under the COVID-19 Declarations, eligible emergency medical care costs are eligible for the duration of the Public Health Emergency, as determined by HHS.
- Emergency medical care is eligible as an emergency protective measure for public and PNP facilities, including but not limited to:
 - Triage and medically necessary tests and diagnosis related to COVID-19 cases
 - Emergency medical treatment of COVID-19 patients
 - Prescription costs related to COVID-19 treatment
 - Use or lease of specialized medical equipment necessary to respond to COVID-19 cases
 - Purchase of PPE, durable medical equipment, and consumable medical supplies necessary to respond to COVID-19 cases (note that disposition requirements may apply)
- Long-term medical treatment is not eligible
 - Medical care costs incurred once a COVID-19 patient is admitted to a medical facility on an inpatient basis.
 - Costs associated with follow-on treatment of COVID-19 patients beyond the duration of the Public Health Emergency, as determined by HHS.
 - Administrative costs associated with the treatment of COVID-19 patients.
- FEMA cannot duplicate funding provided by HHS, CDC, or other federal agencies.



Appendix 6: Federal Procurement Standards and Exceptions

The following are the Federal procurement standards as they are outlined in the PAPPG and FEMA's [COVID-19 Fact Sheet Procurement Under Exigent or Emergency Circumstances](#):

- Provide full and open competition.
- Conduct all necessary affirmative steps to ensure the use of minority businesses, women's business enterprises, and labor surplus area firms when possible.
- Exclude contracts that develop of draft specifications, requirements, statements of work, or invitations for bids or requests for proposals from competing for such procurements to ensure objective contractor performance and eliminate unfair competitive advantage.
- Maintain written standards of conduct covering conflicts of interest and governing the performance of employees who engage in the selection, award, and administration of contracts.
- Maintain records sufficient to detail the history of the procurement including rationale for the method of procurement, selection of contract type, contractor selection or rejective, and the basis for the contract price.

Private nonprofits must use one of the following procurement methods:

- Micro-purchase
- Small purchase procedure
- Sealed bid (formal advertising)
- Competitive proposal

Alternative procedures may be used for procuring goods or services below a certain dollar amount. This is called the simplified acquisition threshold: the dollar amount below which a non-Federal entity may purchase materials or services using small purchase methods.

For contracts in excess of the simplified acquisition threshold, the sub-recipient must evaluate pricing using either cost or price analysis in order to ensure that the supplies or services being procured are at fair and reasonable prices. For contracts procured after June 20th, 2018, the procuring of goods or services over \$250,000 requires the sub-recipient to conduct a cost-price analysis. Goods or services procured under the established Simplified Acquisition threshold must follow the policies outlined in the sub-recipient's internal procurement manual.

Exceptions to the Rule: There are exceptions which allow contracts to be procured using noncompetitive proposals if one of the following conditions apply:

- The item is only available from a single source.
- The public exigency or emergency for the requirements will not permit a delay resulting from competitive solicitation (most commonly seen in Category B projects).
 - The use of this exception is only permissible for the time period in which exigent or emergency circumstances exist. The expectation is that when the conditions no longer exist, the sub-recipient follows Federal procurement standards.
- FEMA or the recipient expressly authorized a noncompetitive proposal in response to a written agreement form the applicant.
- After solicitation from several sources, competition is deemed inadequate.

Required Clauses:

Every contract and purchase order must include any clauses required by [2 C.F.R. § 200.326](#).

