# FEMA Nonprofit Requests for Public Assistance during COVID-19

## Background

On March 13, 2020, President Trump declared the COVID-19 outbreak a National Emergency.  This action invoked the National Emergencies Act and the Robert T. Stafford Disaster Relief and Emergency Assistance Act (Stafford Act) which, together with subsequent state declarations, authorize FEMA to provide eligible applicants funding under the federal Public Assistance (PA) Program for Category B emergency protective measures taken in response to COVID-19.  Through this program, FEMA provides financial assistance in the form of cost-share reimbursement to states, territories, tribes, local governments, and eligible private nonprofit organizations (PNPs). For interested nonprofits, please note that ==applications are due to the State of Michigan on Thursday, April 30th==.

## What types of nonprofits qualify for FEMA COVID-19 reimbursement?

**Legal nonprofit status.**
To be eligible for FEMA Public Assistances nonprofits must show that they have:
- A current ruling letter from the US Internal Revenue Service granting tax exemption status under sections 501(c), (d), or (e) of the Internal Revenue Code of 1954; OR
- Documentation from the State substantiating it is a non-revenue producing, nonprofit entity organized or doing business under State law.

**Eligible critical and essential service activities.**
Additionally, the nonprofit must own or operate an <u>eligible facility</u>, defined by the following criteria:
- A facility that provides a critical service (e.g., education, utility, emergency, or medical)
- A facility that provides a non-critical, but essential social service AND provides those services to the general public
  - Certain types of facilities (e.g., senior centers) that restrict access in a manner clearly related to the nature of the facility, are still considered to provide essential social services to the general public.
- Eligibility for a facility that provides both eligible and ineligible services is based on primary use, which is determined by the amount of physical space dedicated to eligible services.

See pages 12 and 13 of FEMA's <u>Public Assistance Program and Policy Guide</u> (PAPPG) for full explanations of critical and essential services.

## What is FEMA's reimbursement rate?

FEMA will reimburse 75% of eligible costs (see below).  Organizations can request 50% of the federal share as expedited funding for their estimated scope of services.

*Example: A senior services program begins pandemic related essential social services on Monday, March 16th, and based upon FEMA guidelines, estimates their Scope of Service over*

*4 x 30 day periods through July 11th, 2020, totaling $80,000. The FEMA request is for $60,000 ($80K x 75%) with $30,000 requested as expedited funding ($60K x 50%).*

Donated resources used on eligible work may be credited toward the non-Federal share of grant costs under the Public Assistance Program. NOTE: The Public Assistance (PA) program will not duplicate assistance provided by the Department of Health and Human Services, including the Centers for Disease Control and Prevention, or other federal agencies - even for eligible activities.

## What types of work are eligible for reimbursement?

Under the COVID-19 emergency declaration, PA is available for "emergency protective measures," or "Category B" work. Examples of emergency protective measures include, but are not limited to:
- Purchase and distribution of food, water, ice, medicine, and other consumable supplies
- Movement of supplies and persons
- Communications of general health and safety information to the public
- Management, control, and reduction of immediate threats to public health and safety (e.g., disinfection of eligible public facilities)
- Emergency medical care
- Medical sheltering (e.g., when existing facilities are reasonably forecasted to become overloaded in the near future and cannot accommodate needs)
  - See below for further details on non-congregate sheltering
- Search and rescue to locate and recover members of the population requiring assistance

For further details, FEMA has published a [Covid-19 Pandemic Eligible Emergency Protective Measures](#) Fact Sheet that outlines the various types of emergency measures that may be considered eligible.

Given the high level of strain the homeless shelter system is experiencing in response to COVID-19, FEMA has determined that certain non-congregate sheltering costs may be reimbursable under Public Assistance Program Category B for the duration of the COVID-19 Public Health Emergency. Eligibility requires meeting the following criteria (which must be approved before non-congregate sheltering spaces are set up):
- The non-congregate sheltering **must be at the direction of and documented through an official order signed by a state, local, tribal, or territorial public health official**
- Approval is limited to that which is reasonable and necessary to address the public health needs resulting from COVID-19 and should not extend beyond the duration of the Public Health Emergency
- Applicants are obligated to follow FEMA's [Procurement Under Grants Conducted Under Exigent or Emergency Circumstances](#) guidance and include a termination for convenience clause in their contracts
- Prior to approval, the applicant must provide an analysis of the implementation options that were considered and a justification for the option selected.
- The funding for non-congregate sheltering to meet the needs of the Public Health Emergency cannot be duplicated by another federal agency, including the U.S. Department of Health and Human Services or Centers for Disease Control and Prevention.

- Applicable Environmental and Historic Preservation laws, regulations, and executive orders apply and must be adhered to as a condition of assistance.

## What costs related to emergency protective measures are eligible for reimbursement?

An exhaustive overview of eligible costs begins on page 21 of the Public Assistance Program and Policy Guide.  The following are pertinent examples of eligible costs:

- Labor
    - "Incremental" (i.e., added staff or overtime) staffing costs associated with COVID-19
    - Incremental contract labor
    - Staff training and preparation, if resulting in overtime costs
    - NOTE: The bulk of Exempt employees' time is usually not eligible for reimbursement. However, up to 5% of requested reimbursement can be used for administrative expenditures which CAN include exempt employee time and other administrative costs. See page 25 of the Public Assistance Program and Policy Guide for further details
- Supplies and Equipment
    - Purchases required to conduct emergency protective measures in response to COVID-19
    - Computer/IT purchases to allow for remote work
- Other
    - Adding capacity (e.g., getting new units ready)
    - Testing and treating potential and confirmed COVID-19 patients
    - Retrofitting a clinic to serve as a hospital

The following costs are NOT eligible for reimbursement:
- Loss of revenue
- Projected loss of useful service life of a facility
- Tax assessments
- Increased operating costs (however, short-term increases costs that are directly related to accomplishing specific emergency health and safety tasks as part of emergency protective measures or Category B work)

Eligible costs must be:
- Directly tied to the performance of eligible work
- Adequately documented (see below)
- Reduced by all applicable credits (e.g., insurance proceeds and salvage values)
- Authorized and not prohibited under Federal, State, Territorial, Tribal, or local government laws or regulations
- Consistent with the applying PNP's internal policies, regulations, and procedures that apply uniformly to both Federal awards and other applicant activities
- Necessary and reasonable to accomplish the work properly and efficiently
- Incurred within the approved period of performance (beginning January 20, 2020 and continuing)

Applicants are permitted to proceed with new and extant <u>non-competitively procured contracts</u> necessary to protect property and public health.  To justify non-competitive procurements, PNPs should:

- Document the situation and organizational decision-making processes
- Explain why a non-competitive procurement is necessary
- Follow internal procurement policies

For a full explanation of procurement policies during COVID-19, see the [Procurement Under Grants Conducted Under Exigent or Emergency Circumstances FEMA Fact Sheet.](#)

<mark>IMPORTANT:</mark> How should my organization track eligible activities?

Providing adequate documentation to support your claimed costs is <u>crucial</u> to ensuring your reimbursement funds are not reclaimed during a future audit.  Nonprofits should immediately begin compiling the following documentation to prove cost eligibility:

- List of emergency protective measures undertaken
- Insurance information
- Paid staff regular and overtime hours (dates and times)
  - Organizations should develop time codes specific to COVID-19 activities
- Fringe benefits information
- List of equipment used, including hours of operation (dates, times, and miles driven)
- List of materials and supplies purchased or used
- Copies of contracts used for COVID-19 response
- Procurement policies and documentation of compliance

See the [Documentation to Support Costs Claimed](#) guide for further information on the records necessary for each category of eligible costs.  Documentation will eventually be submitted through the FEMA Grants Portal (see below).  Reimbursed costs that are found to lack satisfactory documentation may be subject to future clawback.

How do eligible Michigan PNPs apply for FEMA Public Assistance?

Nonprofits must complete the following steps to apply for Public Assistance through the state of Michigan.  Michigan State Police, Emergency Management and Homeland Security Division (MSP/EMHSD) will serve as the grant recipient and, in that role, will create FEMA Public Assistance Grants Portal accounts and submit final Requests for Public Assistance (RPAs) on behalf of PNPs.  <u>Note</u>: The County cannot act as an intermediary or indirect representative.

1. Download and complete Request for Public Assistance, [FEMA Form 009-0-049](#)
   a. All applicants should answer "No" to the Preliminary Damage Assessment question in the bottom box.
2. Download and complete [FEMA PNP Facility Questionnaire](#)
3. Produce a copy of the nonprofit's charter or by-laws
4. Produce:
   - A copy of an effective ruling letter from the US Internal Revenue Service granting tax exemption under Section 501(c), (d), or (e) of the Internal Revenue Code of 1954 (as amended), OR

- State certification that the organization is a non-revenue producing non-profit entity organized or doing business under state law.
5. Write the Federal Employer Identification Number (FEIN) at the top left margin of the RPA form.  Note that the FEIN is the organization's tax identification number and can be obtained from the IRS online.
6. Write the Data Universal Numbering System (DUNS) number at the top right margin on the RPA form.  DUNS numbers can be obtained online or by calling 866-705-5711.
7. Forward completed forms to the State Public Assistance Officer, Tammy Vedder, via email: veddert@michigan.gov

Once these forms have been received, Michigan State Police, Emergency Management and Homeland Security Division will create a Grants Portal account for the nonprofit and submit the Request for Public Assistance on their behalf.  The applying nonprofit will receive a system generated email with a username and temporary password for the Portal.  The nonprofit should follow the instructions provided via the email and use the provided username and temporary password to log into Grants Portal for the first time.  The system will then prompt the applicant to create a permanent password.  The Grants Portal will be used later to upload and submit documentation to support an organization's work and costs.

## Timeline and next steps

FEMA has published the following diagram to outline the streamlined Public Assistance application and approval process:



MPS/EMHSD will hold Public Assistance applicant briefing webinars in the coming weeks to review the remaining application and programmatic requirements.  After FEMA approves your organization's Request for Public Assistance, you will submit project information (including cost estimates and supporting documentation).