

# PUBLIC ASSISTANCE BULLETIN – SECTION 324 MANAGEMENT COSTS

## BULLETIN #42 – 12/8/20

In November 2018, FEMA released policy FP 104-11-2, as a framework and requirements of implementing Stafford Act Section 324 Management Costs as amended by The Disaster Recovery Reform Act of 2018 (DRRA). A copy of this policy can be found [here](#).

As outlined in this policy, management costs apply to any one of the following when associated with Public Assistance:

- Indirect costs
- Direct administrative costs
- Other administrative expense associated with a specific project

Management costs will be obligated through a Category Z Project Worksheet (PW) and are funded at 100% Federal share. For Subrecipients, FEMA will provide management costs on actual costs incurred up to 5% of the Subrecipient's total award amount. Additional versions of this Category Z PW may be processed for the Subrecipient's total project obligations on a quarterly basis as needed. *\*FEMA may require a plan describing how the Subrecipient plans to use the funds.*

Eligible activities include:

- Activities related to developing eligible PA projects, such as:
  - o Preliminary Damage Assessments
  - o Meetings regarding the PA Program or overall, PA damage claim
  - o Organizing PA damage sites into logical groups
  - o Preparing correspondence
  - o Site inspections
  - o Travel expenses
  - o Developing the detailed site-specific damage description
  - o Evaluating Section 406 hazard mitigation measures
  - o Preparing Small and Large Projects
  - o Reviewing PWs
  - o Collecting copying, filing, or submitting documents to support a claim
  - o Requesting disbursement of PA funds
  - o Training

Subrecipients may claim management costs incurred up to whichever of the following occurs first:

- 180 days after the Subrecipient completes its last non-management cost PA project
- 180 days after the latest performance period of the Subrecipient’s non-management cost PA project
- Two years from the date of an Emergency Declaration
- Eight years from the date of the Major Disaster Declaration

FEMA requires actual cost documentation must include information necessary to demonstrate eligibility of costs and activities claimed as management costs, including but not limited to payroll data, procurement procedures, contracts, invoices, and an explanation of the activities performed.

How to Request Management Costs for DR-4523

1. Category Z PWs should not be submitted until all projects are obligated. All management cost activities should be reported on one project application.
2. If all projects have been entered into Grants Portal and have been obligated by FEMA, Subrecipients are able to submit a streamlined application through Grants Portal, just as they did with their Category B projects.

What information is required?

To complete the application through Grants Portal, the following is needed:

- A description of the activities including when, where, and by whom the activities were completed or will be completed.
- An itemized summary of how much the activities costs, including costs associated with contract, labor, equipment, supply, material and other cost types.
- Documentation supporting the activities completed and costs claimed.

What happens once FEMA obligates a Category Z PW?

The PWs will follow the same process as the Category B PWs. Once FEMA obligates the PW Subrecipients will be invited to apply through DEM’s ZoomGrants Portal.

Additional DEM Bulletins, FEMA Fact Sheets, and additional recovery resources can be found on the DEM Website at <https://dem.nv.gov/COVID-19/home/>

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| <b>FOR QUESTIONS, PLEASE CONTACT:</b> |  |
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