



FEMA

FEMA-STATE AGREEMENT
FEMA-4534-DR-ID

I. PURPOSE AND BACKGROUND

The President declared on April 9, 2020, that a major disaster exists in the State of Idaho. This declaration was based on COVID-19 (incident) beginning on January 20, 2020, and continuing (incident period). This is the FEMA-State Agreement (Agreement) for this major disaster, designated FEMA-4534-DR (Declaration), under the Robert T. Stafford Disaster Relief and Emergency Assistance Act, Pub. L. No. 93-288 (1974) (codified as amended at 42 U.S.C. §§ 5121-5207) (Stafford Act), in accordance with 44 C.F.R. § 206.44. This Agreement between the Federal Emergency Management Agency (FEMA), Department of Homeland Security (DHS) and the State of Idaho (State or Recipient) governs all federal assistance that FEMA provides the State for this Declaration.

II. GENERAL PROVISIONS

- A. **GRANT AWARD PACKAGE.** Any federal grant (which includes a cooperative agreement for purposes of this Agreement) award package issued under this Agreement will consist of the Declaration, this Agreement, and the *Application(s) for Federal Assistance* (Standard Form (SF) 424), including *Assurances – Non-Construction Programs (SF-424B)* and *Assurances – Construction Programs (SF 424D)*, when applicable, submitted by the State for each grant provided under the Declaration and this Agreement.
- B. **FEMA RESPONSIBILITIES.** FEMA may provide federal assistance to the State or residents of the State, if applicable, in the form of federal grant assistance, payments to individuals, and/or direct federal services to support the activities and programs authorized under the Stafford Act and the Declaration in accordance with this Agreement.
- C. **STATE RESPONSIBILITIES**
1. The State agrees to comply with the federal grant award terms and conditions set forth in the Declaration, this Agreement, individual projects, records of environmental consideration, State Mitigation Plan (if applicable) and the State Administrative Plans in place for each grant award.

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2. The State agrees to lead, manage, and drive the overall recovery process and coordinate recovery activities and technical support by setting appropriate state policies. The State will coordinate with local, tribal and Federal governments and agencies, private businesses, and nonprofit organizations to lead and coordinate state recovery planning and assistance to impacted communities.
3. The State agrees to be the "Recipient" for all federal financial assistance provided under the Stafford Act and this Agreement, with the exception of financial assistance for Temporary Housing and financial assistance for Housing Repair and Replacement under the Individuals and Household Program (IHP) that is always administered by FEMA or for Direct Temporary Housing, Permanent Housing and/or Other Needs Assistance (ONA) under the IHP when administered by FEMA rather than by the State (*i.e.*, the "FEMA option"), if applicable.
 - a. Recipient has the same meaning as "Grantee" as used in governing statutes, regulations and FEMA guidance.
 - b. A recipient is also a "non-Federal entity" for grants administration purposes.
4. The State will serve as the "pass-through entity" with respect to the State's role in providing subawards and administering grant assistance provided to subrecipients. As the pass-through entity, the State agrees to comply with, and will require all subrecipients to comply with, the requirements of all applicable laws and regulations, including the Stafford Act, Title 44 of the Code of Federal Regulations (C.F.R.) (*Emergency Management and Assistance*), 2 C.F.R. Part 3002 (implementing 2 C.F.R. Part 200 (*Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*)), and applicable FEMA policies and guidance.
 - a. The term "subrecipient" has the same meaning as "subgrantee" as used in governing statutes, regulations and FEMA guidance.
 - b. A subrecipient is also a "non-Federal entity" for grants administration purposes.
 - c. A subrecipient may also serve as a pass-through entity under certain circumstances in the Hazard Mitigation Grant Program (HMGP)
5. The State is required to maintain a FEMA-approved State Mitigation Plan (SMP) in accordance with 44 C.F.R. Part 201 (*Mitigation Planning*) as a condition of receiving non-emergency Stafford Act assistance.
 - a. The State must update its SMP every five years.

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- b. The State must have a FEMA-approved mitigation plan to receive the following assistance:
 - i. Public Assistance (PA) – Permanent Work Categories C-G
 - ii. HMGP
- c. FEMA will not obligate funds for PA Permanent Work or HMGP projects unless that State has a FEMA-approved SMP.
- d. If the State does not have a FEMA-approved SMP as of the date of the Declaration, the State must submit its approvable SMP within 30 days of the date of the Declaration for FEMA review and approval. If the State fails to do so, FEMA will deny the State's application for PA Permanent Work and HMGP assistance under the Declaration.
- e. If the State's FEMA-approved SMP lapses after the Declaration, the State must submit its approvable SMP within 30 days of the lapse for FEMA review and approval. FEMA will cease obligating funds for PA Permanent Work or HMGP projects during any lapse period between expiration of the current SMP and approval of an updated SMP.

D. CERTIFICATION AND WAIVERS

- 1. Attachment 1 to this Agreement lists the State officials named by the Governor as authorized to execute certifications and otherwise to act on behalf of, and to legally bind, the State.
- 2. Attachment 2 to this Agreement is the State's Certification Regarding Lobbying. This certification complies with the lobbying prohibitions in the DHS Standard Terms and Conditions and with the FEMA regulations at 44 C.F.R. Part 18 (*New Restrictions on Lobbying*).
- 3. The State waives any consultation process under Executive Order 12372 (*Intergovernmental review of Federal programs*) and 44 C.F.R. Part 4 (*Intergovernmental Review of Federal Emergency Management Agency (FEMA) Programs and Activities*) for grants, cooperative agreements, loans, or other financial assistance under the Stafford Act for the Declaration.

E. FEDERAL ASSISTANCE

- 1. The State has requested federal assistance and submitted a FEMA Form 010-0-13 (*Request for Presidential Disaster Declaration – Major Disaster or Emergency*), the terms, representations and assurances of which are incorporated by reference into this Agreement.

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2. Federal assistance, except for assistance under the HMGP, is limited to activities necessary to alleviate damage, loss, hardship or suffering resulting from the incident that took place during the incident period, except that reasonable expenses that were incurred in anticipation of and immediately preceding the incident may be eligible.
3. Federal assistance under the Stafford Act and this Agreement is limited to those areas and programs designated by the President or FEMA in the Federal Register Notices for this Declaration, which are listed in Attachment 3 to this Agreement and are incorporated by reference into this Agreement.
4. All scopes of work and costs approved as a result of this Agreement, whether as estimates or final costs approved through subawards, project worksheets, or otherwise, will incorporate by reference the terms of this Agreement and must comply with applicable laws, regulations, policy and guidance in accordance with this Agreement.
5. Pursuant to Executive Order 13858 "Strengthening Buy-American Preferences for Infrastructure Projects," FEMA encourages recipients to use, to the greatest extent practicable and consistent with the law, iron and aluminum as well as steel, cement and other manufactured products produced in the United States, in Public Assistance and Hazard Mitigation Grant Program eligible public infrastructure repair and construction projects affecting surface transportation, ports, water resources including sewer and drinking water, and power. Such preference must be consistent with the law, including cost and contracting requirements at 2 CFR Part 200.

F. CONTROLLING AUTHORITIES. This Agreement is subject to the following governing authorities:

1. The Stafford Act, its implementing regulations contained in Title 44 of the C.F.R., and FEMA policy and guidance.
2. The Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards set forth at 2 C.F.R. Parts 200 and 3002.
3. The DHS Standard Terms and Conditions in effect on the date of the Declaration, available at https://www.dhs.gov/sites/default/files/publications/19_dhs_standard_terms_and_conditions_version_9.2_dated_04-17-2019_0.pdf which are incorporated by reference into this Agreement.

III. TYPES OF FEDERAL ASSISTANCE

The President may authorize any of the following federal assistance programs and Attachment 3 to this Agreement sets forth the specific federal assistance programs authorized for this Declaration.

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- A. **PUBLIC ASSISTANCE (PA)**. The following terms apply when the PA Program is authorized and when FEMA makes a PA grant award to the State:
1. **Cost Share**. FEMA funding for PA project costs (which do not include management costs) will be limited to 75 percent of total eligible costs after appropriate reductions (such as for insurance), except as may be provided for in any subsequent cost share amendments to the Declaration, which will be incorporated into this agreement by amendment. The State agrees to make available the non-federal share of PA project costs.
 2. **Management Costs**. FEMA funding for PA management costs will be 100 percent of the total eligible management costs, which will be limited to not more than 12 percent of the total award amount. Of this amount, the State may use up to seven percent and a subrecipient may use up to five percent of the subrecipient's total award amount. The "total award amount" means the actual eligible PA project costs, including both the federal and non-federal share, and after appropriate reductions (such as for insurance) and excluding management costs. There is no non-federal share of PA management costs.
 3. **Direct Federal Assistance**. When Direct Federal Assistance is requested and the assistance is provided:
 - a. The State will:
 - i. Provide without cost to the United States all lands, easements and rights-of-ways necessary to accomplish the approved work;
 - ii. Hold and save the United States free from damages due to the requested work and will indemnify the Federal Government against any claims arising from such work;
 - iii. Provide reimbursement to FEMA for the non-federal share of the cost of such work; and
 - iv. Assist the performing federal agency in all support and local jurisdictional matters.
 - b. FEMA will bill the State for the non-federal share of Direct Federal Assistance provided and the State agrees to pay the non-federal share pursuant to the timeframes set forth in the letter or other correspondence transmitting the bill.
 3. **Debris Removal**. When debris removal is authorized, the State agrees to indemnify and hold harmless the United States for any claims arising from the removal of debris or wreckage for the Declaration. The State agrees that

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debris removal from public and private property will not occur until an unconditional authorization for the removal of debris is provided.

4. Additional Terms and Conditions. The **Public Assistance Programmatic Addendum** includes additional terms and conditions for the implementation of the PA Program as applicable and PA grant performance goals.

B. INDIVIDUAL ASSISTANCE (IA). When the Declaration authorizes IA overall or specific IA programs and FEMA makes an IA grant award to the State, the following terms apply:

1. General. FEMA may award grant funds to the State for the IA programs authorized under the Declaration and requested by the State and, for Direct Temporary Housing and Permanent Housing Construction, may provide direct assistance.
2. Other Needs Assistance. When the Declaration authorizes the IHP and FEMA provides ONA to individuals and households, the State agrees to make available its 25 percent share of any ONA that is provided under Section 408(e) of the Stafford Act (codified as amended at 42 U.S.C. § 5174(e)).
 - a. FEMA Option. When FEMA administers ONA under the FEMA Option, FEMA will bill the State monthly for the cost share. The State agrees to pay the amount billed within 30 days of receipt.
 - b. Joint Option. If the State administers ONA under the Joint Option, a cooperative agreement will be executed as an IA Program Addendum to this Agreement and FEMA will pay to the State 75 percent of the total ONA payments to individuals and households and actual administrative costs in accordance with Section 408 of the Stafford Act (codified as amended at 42 U.S.C. § 5174) and 44 C.F.R. § 206.120. Administrative costs will equal up to five percent of the ONA grant.
 - c. State Option. If the State administers ONA under the State Option, a grant agreement will be executed as an IA Program Addendum to this Agreement and FEMA will pay to the State 75 percent of the total ONA payments to individuals and households and administrative costs allowed under Section 408 of the Stafford Act (codified as amended at 42 U.S.C. § 5174) and 44 C.F.R. § 206.120. Administrative costs will equal up to five percent of the actual eligible ONA payments made to individual and households, including both the federal and non-federal share.
3. Additional Terms and Conditions. Additional terms and conditions regarding implementation of the IHP and other applicable IA Programs including

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IA grant performance goals and administrative plans may be included in an IA Programmatic Addendum.

- C. **HAZARD MITIGATION GRANT PROGRAM (HMGP)**. When the Declaration authorizes the HMGP and FEMA makes a HMGP award to the State, the following provisions apply:
1. **Total Funding**. Total federal contributions are based on the estimated aggregate amount of grants to be made under the Stafford Act for this major disaster (less any associated administrative costs) and will be 20 percent of such amounts up to \$35,333,000,000.
 2. **Cost Share**. FEMA funding for total HMGP costs, excluding management costs, will be limited to no more than 75 percent of total eligible costs after appropriate deductions. The State agrees to make available the 25 percent non-federal share of HMGP and, at its request, may provide a greater non-federal share of an activity cost.
 3. **Management Costs**
 - a. FEMA funding for HMGP management costs will be 100 percent of the total eligible management costs, which will be limited to 15 percent of the total award amount. The State may use up to 10 percent of the total award amount and subrecipients may use up to five percent of the subrecipient's total award amount. There is no non-federal share of HMGP management costs.
 - b. The "total award amount" means the actual eligible HMGP activity costs, including both the federal and the non-federal share, and after appropriate reductions (such as for insurance) and excluding management costs. For the State, this is the total of the federal contribution and the required nonfederal contribution under the HMGP grant award. For a subrecipient, this is the federal contribution and nonfederal contribution that the State has identified as contributing to meet the nonfederal share of the HMGP grant award. In the case where the non-federal share for the entire HMGP grant award exceeds the required 25 percent, those excess non-federal contributions are not included in the total award amount and are not included in the calculation of management costs.
 4. **Program Administration by States**. If the State requests and FEMA approves the State's request for inclusion in the Program Administration by States (PAS) Pilot Program, FEMA and the State will execute an Operating Agreement that will be included in the **HMGP Programmatic Addendum**.

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5. Additional Terms and Conditions. Additional terms and conditions regarding implementation of HMGP, including performance goals, may be included in the **HMGP Programmatic Addendum**.

IV. FUNDING

A. PAYMENT PROCESS

1. Payment System. FEMA will pay the State using the U.S. Department of Health and Human Services Payment Management System (HHS/Smartlink).
2. Payments. Payments are governed by the Treasury-State Cash Management Improvement Act (CMIA) agreements and default procedures codified at 31 C.F.R. Part 205 (*Rules and Procedures for Efficient Federal-State Funds Transfers*) and Treasury Financial Management Manual, Volume 1, Part 4A-2000.
3. IA Overpayments. When FEMA identifies an overpayment under an IA grant award, subject to the exhaustion of appeals, FEMA will deobligate the funds from the State's HHS/Smartlink account. If there are insufficient funds in the account, the State will have 30 days to reimburse the HHS/Smartlink account. At that time, if there are still insufficient funds in the subaccount, FEMA will refer the amount to the FEMA Finance Center (FFC) for collection.
4. PA and HMGP Overpayments. FEMA will use a "single obligation" system to process payments through a subaccount for each subaward under PA and HMGP. When FEMA identifies an overpayment as a potential debt, the State will have 60 days to appeal that initial determination. Upon exhaustion of appeal rights, the State will have 30 days to resolve the amount owed before the debt is referred to the FEMA Finance Center (FFC) for collection. The State may resolve the amount owed by paying FEMA directly. It may also deposit the amount owed directly into the applicable subaccount in HHS/Smartlink and notify FEMA when it has reimbursed that subaccount, after which FEMA will deobligate that amount in the subaccount. Alternatively, the State may request administrative offset of the amount owed against identifiable, allowable, allocable and reasonable costs under the same subaward, which have not yet been reimbursed by FEMA.
5. No Property Interest. The State and subrecipients have no property interest in the funds made available through the HHS/Smartlink account. At any time during the lifecycle of the grant, FEMA may adjust the amounts available to the State in HHS/Smartlink due to grant amendments, partial or full grant terminations, closeouts or other reasons.

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- B. AVAILABILITY OF FUNDING.** FEMA and the State agree to take measures to deliver assistance to individuals, households, governments and private nonprofits as expeditiously as possible consistent with federal laws and regulations.
1. This Agreement does not comprise an award of any type of assistance authorized for the Declaration or as described in Part III, Types of Federal Assistance above, and this Agreement does not obligate any federal funding. Rather, FEMA will separately make such award decisions for the assistance authorized for the Declaration.
 2. If FEMA decides to make an award of federal assistance, such assistance will be made available within the limits of funds available from Congressional appropriations for such purposes.
 3. FEMA may, in its sole discretion, if necessary, because of limited funds, give first priority to assistance for individuals and households, emergency work for protection of public health and safety, and administrative costs for managing the disaster programs. FEMA will provide other financial assistance when, and if, funds become available and will generally provide them in the order the claims are received.

V. REPORTING

A. FEDERAL FINANCIAL REPORTS

1. Initial and Quarterly Financial Reports
 - a. The State must submit complete and accurate Federal Financial Reports (Standard Form 425) to the FEMA Regional Office 30 days after the end of the first federal quarter following the federal award date for each program (PA, HMGP, and the various IA programs). The Regional Administrator or designee may waive the initial report if the incident is of such magnitude and complexity that it would place an undue administrative burden on the State. Subsequent reporting requirements will not be waived. The State must submit quarterly financial status reports thereafter until closeout of the federal grant award for each program funded. Reports are due on January 30, April 30, July 30 and October 30.
 - b. The State must indicate, in the remarks section on the quarterly financial report, each time it has submitted a final expenditure report for a project or subaward as detailed in paragraph V.B below. The information must include the name of the subrecipient, the project number and the date on which the State submitted the project closeout report. If it is the last project for a subrecipient, then the State must also note that the quarterly report reflects the last expenditures of that subrecipient.

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2. Final Federal Financial Report. The State must submit a complete and accurate final Federal Financial Report (SF 425), no later than 90 days after each program's federal grant award performance period expiration date.

B. FINAL EXPENDITURE REPORT FOR PROJECT COMPLETION

1. PA Large Project Final Expenditure Report

- a. The State must submit a payment of claim to FEMA for each PA large project as required by FEMA regulations and guidance, including 44 C.F.R. § 206.205.
- b. The State must submit the final payment of claim for a PA large project within 180 days from the earlier of the date the non-Federal entity completes the project or the project completion deadline.

2. PA Small Project Final Expenditure Report

- a. The State must provide a small project certification for itself and each subrecipient as required by FEMA regulations and guidance, including 44 C.F.R. § 206.205.
- b. The State must submit the certification within 180 days from the earlier of the date that the non-Federal entity completes its last small project or the latest project completion deadline of a small project.

3. PA Management Cost Project Final Expenditure Report

- a. The State must submit a payment of claim to FEMA for each subrecipient's PA management cost project within 180 days after the earlier to occur of the following:
 - i. 180 days after work is completed on the subrecipient's last non-management cost PA project for the Declaration;
 - ii. 180 days after the latest project completion deadline of a subrecipient's non-management cost PA project for the Declaration; or
 - iii. Eight years from the date of the Declaration.
- b. The State must submit a payment of claim to FEMA for the State's PA management cost project within 180 days after the earlier to occur of the following:
 - i. 180 days after work is completed on the last non-management cost PA project for the Declaration;

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- ii. 180 days after the latest project completion deadline of a non-management cost PA project for the Declaration;
- iii. Eight years from the date of the Declaration.

4. HMGP Project Final Expenditure Report

- a. The State must submit a payment of claim to FEMA for each HMGP project as required by FEMA regulations and guidance, including 44 C.F.R. § 206.438(d).
- b. The State must submit the final payment of claim within 180 days from the earlier of the date the non-Federal entity completes the project or the project completion deadline.

5. HMGP Management Cost Project Final Expenditure Report

- a. The State must submit a payment of claim to FEMA for each subrecipient's HMGP management cost project within 180 days after the earlier to occur of the following:
 - i. 180 days after work is completed on the subrecipient's last non-management cost HMGP project for the Declaration;
 - ii. 180 days after the latest project completion deadline of a subrecipient's non-management cost HMGP project for the Declaration; or
 - iii. Eight years from the date of the Declaration
- b. The State must submit a payment of claim to FEMA for the State's HMGP management cost project within 180 days after the earlier to occur of the following:
 - i. 180 days after work is completed on the last non-management cost HMGP project for the Declaration;
 - ii. 180 days after the latest performance period of a non-management cost HMGP project for the Declaration; or
 - iii. Eight years from the date of the Declaration

6. IA Final Expenditure Report. If the State issues a subaward under the Disaster Case Management Program, Crisis Counseling Program, ONA, Direct Temporary Housing or Permanent Housing Construction grant award, then it must submit a payment of claim to FEMA for that subaward within 180 days from the earlier of the date the non-Federal entity completes the project or the project completion deadline.

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7. Governmental Subrecipients

- a. FEMA will confirm the reports described in paragraphs 1, 2, 3, 4, 5, 6 as the final expenditure report only if the State has submitted all outstanding information and certifications required by applicable regulations and FEMA policy and guidance and the report is complete and accurate.
- b. The confirmed, complete and accurate project closeout report is the "final expenditure report for project completion as certified by the grantee" for the purposes of applying Section 705(a) of the Stafford Act (codified as amended at 42 U.S.C. § 5205(a)).

C. PERFORMANCE REPORTS

1. Initial and Quarterly Reports. The State must submit performance/progress reports in compliance with each program identified under this Agreement to the FEMA Regional Office 30 days after the end of the first federal quarter following the federal award date. The Regional Administrator or designee may waive the initial report if the incident is of such magnitude and complexity that it would place an undue administrative burden on the grantee. Subsequent reporting requirements will not be waived. The State must submit quarterly performance/progress status reports thereafter until the grant performance period ends. Reports are due on January 30, April 30, July 30 and October 30.
2. Report Content. The State must include in its quarterly performance/progress reports (OMB Form 1660-0017 PA and OMB Form 1660-0076 HMGP for PA and HMGP, respectively) a status of project/subaward completion, amount of expenditures, and amount of payment for advancement or reimbursement of costs for each project/subaward funded under each of the programs authorized under this Agreement, including for properties purchased for open space under the HMGP.
3. Project Cost Overruns. The State must submit project cost overruns requiring additional obligations to FEMA for review and approval. Where review and approval are not sought before incurring the costs of an overrun, there is no assurance that FEMA will reimburse such costs. In compliance with 44 C.F.R. § 206.438, the State must submit project cost overruns requiring additional HMGP obligations to FEMA for review and approval before incurring costs.
4. Final Performance Report. The State must submit a final performance/progress report 90 days from each program's grant award performance period expiration date that addresses all approved activities and the performance goals outlined in the federal award.

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D. **ENFORCEMENT.** FEMA may suspend drawdowns, impose other special conditions, or take other authorized action pursuant to 2 C.F.R. § 200.338 (*Remedies for Noncompliance*) if the State does not submit accurate and timely reports. This may include, among things, the administrative closeout of a grant and/or any projects under a grant when the State is not responsive to reasonable efforts FEMA makes to collect required reports needed to complete closeout. Administrative closeout is a unilateral mechanism by FEMA to move forward with project or grant closeout using available grant information in lieu of final reports. This can require FEMA to make cash or cost adjustments and ineligible cost determinations, which may result in identifying a debt owed to FEMA.

E. **RECORDS RETENTION**

1. **State Requirement.** The State must retain records for three years, except in certain rare circumstances described in 2 C.F.R. § 200.333 (*Retention requirements for records*), from the date it submits the final Federal Financial Report (SF 425) to FEMA in compliance with 2 C.F.R. § 200.333, notwithstanding the time period prescribed for subrecipients in Subsection 2, Subrecipient Requirement, below. If FEMA administratively closes the grant where no final SF-425 was submitted, FEMA uses the date the grant was administratively closed as the start date for the three-year record retention period.
2. **Subrecipient Requirement.** The State must require subrecipients to retain project or subaward records for at least three years from the date that the State submits to FEMA the final expenditure report for a project or subaward as described above in paragraph V.B. If, however, there is any litigation, claim, negotiation, audit, request for information, or other action involving the project or subaward that starts before that date, the records must be retained until completion of the action and resolution of all issues, which arise from it or until the end of the three-year period, whichever is later.

VI. **RECOVERY OF FUNDS**

- A. **GENERAL.** FEMA may disallow costs and recover funds based on the results of audit or review during or after performance of the award to ensure compliance with the terms of the Agreement and award document. FEMA is required to recover funds when the Recipient or subrecipient has ineligible underruns (for example, actual costs for a PA large project are less than the amount FEMA awarded based on initial estimates); knowingly or negligently withholds or misrepresents material information; fails to complete work and comply with the terms of this Agreement or the approved award; expends federal funds in error; or incurs costs that are unreasonable or otherwise disallowed. If after exhaustion of appeal rights, FEMA determines a debt is owed, the State has 30 days to resolve the amount owed before the debt is referred to the FEMA Finance Center for collection. The State may do so by directly paying FEMA. The State may also

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deposit the amount owed directly into the applicable subaccount in HHS/Smartlink and notify FEMA when it has reimbursed that subaccount, after which FEMA will deobligate that amount in the subaccount. Alternatively, the State may request to substitute unallowable costs for other costs that are allowable (e.g., necessary, allocable and reasonable under the same award and have not yet been reimbursed by FEMA.)

B. DUPLICATION OF BENEFITS

1. **General.** The State must take all actions necessary and reasonable to ensure that all who receive federal assistance are aware of their responsibility to repay federal assistance that is duplicated by amounts available from insurance or any other source for the same purpose. FEMA may at any time, pre-award or post-award, adjust the level of funding provided to account for financial assistance provided from any other source for the same purpose as the federal assistance or to account for benefits available for the same purpose from another source, irrespective of whether they are actually received.
2. **Insurance.** Within his/her authorities, the Governor must ensure, through the state agency responsible for regulation of the insurance industry, that insurance companies make full payment of eligible insurance benefits to disaster survivors and others who receive federal assistance. The State must also take all reasonable steps to ensure that disaster survivors are aware of procedures for filing insurance claims and are informed of any state procedures instituted for assisting insured disaster survivors.

C. COOPERATION. The State agrees, on its behalf and on behalf of its political subdivisions and others that receive federal assistance, to cooperate with the Federal Government in seeking recovery of federal assistance against any party or parties whose intentional acts or omissions or whose negligence or other tortious conduct may have caused or contributed to the damage or hardship for which federal assistance was provided under this Agreement. If applicable, FEMA will treat recovered funds as duplicated benefits available to the Recipient/subrecipient in accordance with Section 312 of the Stafford Act (codified as amended at 42 U.S.C. § 5155).

D. STATE RESPONSIBILITIES. The State is responsible for recovering federal assistance expended in error, misrepresentation, fraud or for costs otherwise disallowed or unused.

1. The State must adjust its expenditures as it recovers funding and will report these adjustments quarterly on the Federal Financial Report, SF 425.
2. The State must designate on its quarterly progress reports the applicants/subrecipients from which they have not processed recoveries but from which recoveries are due FEMA.