



Homeland Security
and Emergency Services



FEMA

Amendment to the Public Assistance Large Project Threshold

Small Project Maximum to \$1 Million

Stafford Act Section 422 Simplified Procedures Final Rule
FEMA Policy #2022-16555

[FEMA Increases Public Assistance Small Project Maximum to \\$1 Million | FEMA.gov](https://www.fema.gov/newsroom/stafford-act-section-422-simplified-procedures-final-rule)

Today's Agenda

- Introductions
- Background
- Rule Overview
- Benefits
- How are Small Project Paid in NYS?
- Minimizing Risk
- FFATA Reminder
- Questions

Background

Section 422 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (Stafford Act) allows the FEMA to implement Simplified procedures for Public Assistance (PA) projects below an established threshold.

- FEMA categorizes Projects as small or large, based on monetary value.
- Each year FEMA adjusts this threshold.
- Simplified procedures allow FEMA to fund eligible small projects based on estimates, which expedites disaster recovery funding.
- This reduces some of the administrative burden for small projects and thereby expedites disaster recovery.

Rule Overview

FEMA adjusted the PA large projects threshold from \$139,800 to \$1 Million.

The new monetary threshold applies to:

- All PA projects under disasters and emergencies declared on or after August 3, 2022.
- All PA projects that are not yet obligated as of August 3, 2022 for federal disaster declared on or after March 13, 2020.
- This includes the following NY disasters:
 - DR-4480 COVID-19
 - DR-4567 Tropical Storm Isaias
 - DR-4615 Remnants of Hurricane Ida
 - DR-4625 Tropical Storm Fred



Rule Overview

The new monetary threshold will not apply to:

- Projects that were obligated prior to August 3, 2022. This includes any versions processed on these projects on or after August 3, 2022.

FEMA is not changing any programmatic requirements as a result of the increase in the monetary threshold.

- The forms and applications processes for small and large projects will not change.
- The documentation requirements for small and large projects will not change.
- Applicants must still comply with all applicable laws, regulations, and policies on all projects.

FEMA will continue to adjust the threshold annually to reflect changes in the Department of Labor's Consumer Price Index for Urban Consumers (CPI-U).

Note: Public Comments on this rule are due on or before October 3, 2022.

Benefits

- Expedite access to recovery funding and increase the administrative efficiency of the Public Assistance program for lower risk projects.
- Small projects can be awarded based on a cost estimate, even if the work is already completed.
- Reduces the number of large projects on the Quarterly Progress Reports.
- Small projects follow simplified closeout procedures once the work is completed. Small projects do not require final reconciliation of actual costs at closeout. However, applicants must submit the P4.
- For small projects where cost estimates exceed actual costs, the excess funds will remain with the applicant.

How are Small Project Paid in NYS?

- For the present, DHSES will continue to pay applicants the federal share on small projects at obligation, consistent with past practice.
- The change in threshold may present a change in the risk associated with applicants who do not successfully complete a small project. DHSES will monitor this risk and evaluate whether modification to our small project payment process may be warranted.
- FEMA Guidelines on small projects are expected to be issued in late Fall/early Winter 2022. Once FEMA guidance is published, DHSES will determine if any of the practices related to this Rule need to be adjusted.

Minimizing Risk

- DHSES encourages applicants to work with their assigned DAR to develop:
 - A complete Scope of Work (SOW).
 - An accurate Cost Estimate.
- Complete the approved SOW for the project.
- Submit your P4 and closeout documentation promptly upon completion of the approved SOW.
- Do not contract with a debarred contractor.
- Report any duplication of benefits from insurance or other funding sources.
- Comply with all applicable laws, regulations and policies, including obtaining permits and EHP requirements.
- Maintain all documentation necessary to support your project on file in the event of an audit.

Items to Note

This change does not apply to

- Expedited Funding
- 428 Alternate Projects
- Category Z Management Costs Projects

In instances where an applicant has completed all of their small projects in a disaster and have net actual costs in excess of their project cost estimates, additional funding may be requested through the PA appeals process (also known as the Net Small Project Overrun Process). This option is constrained by Appeal deadlines and reconciliations tend to be complicated to calculate and fully document.

What to do if you need help

- Reach out to your DHSES Disaster Assistance Representative (DAR) or Disaster Assistance Manager (DAM).
- Reach out to your FEMA Program Delivery Manager (PDMG).

A reminder about FFATA

The Federal Funding Accountability and Transparency Act (FFATA) requires recipients of federal awards greater than \$30,000 must complete the following two activities:

1. FFATA Standard Subrecipient Questionnaire: DHSES will upload this information to the FFATA Sub-awarded Reporting System (FSRS).
2. Suspension and Debarment Certification: Non-procurement debarment and suspension federal regulations require recipients of federal awards to complete and sign this form.

Questions?