**Maine Emergency Management Agency**

**Applicant Project Closeout/Documentation Requirements**

The Federal Emergency Management Agency (FEMA) has implemented a regulatory change to increase the small project maximum from $139,800 to $1 Million, with the FEMA standard process for administering large and small projects shifting accordingly. The purpose of this change is to reduce administrative burdens, efficiently use resources, simplify the program for smaller applicants with smaller dollar projects and to streamline the closure of projects.

As a result of this regulatory change, the Maine Emergency Management Agency (MEMA) is implementing the following internal practices for fiscal accountability for all projects regardless of size and requiring appropriate documentation for our internal and external auditing practices. All applicants are responsible for ensuring funds have been expended in accordance with all Federal, State, and local laws, regulations, and policies. These changes will ensure that applicants submit closeout packages that clearly depict eligible expenses and can satisfy audit requirements under the given disaster.

**For All Projects Obligated on or After August 3, 2022**

Applicants shall be required to submit a project closeout request to the Maine Emergency Management Agency within 90 days of project completion based on the following project thresholds:

* Obligated Projects over $1 Million:

Projects totaling more than $1 Million will require complete documentation of the eligible expense, contracts, labor contracts/timesheets, estimates/quotes/invoices, etc., prior to submission/obligation to include proof of payment of these eligible expenses.

* Obligated Projects between $500,000 and $1,000,000:

Projects totaling between $500,000 and $1 Million will require complete documentation of the eligible expense, contracts, labor contracts/timesheets, estimates/quotes/invoices, etc., prior to submission/obligation and will only require proof of payment upon request.

* Obligated Projects under $500,000:

Projects totaling less than $500,000 will not uniformly require a close out package but instead utilize the Agency’s Risk Assessment guidance below to determine whether a close out package will be required:

* **Financial Risk** relates to the potential that an entity will not have cash flow to meet its financial obligations.
* **Operational Risk** is the current and potential risk to an entity resulting from inadequate or failed internal processes which result in missing project deadlines, budgeting challenges, and other operational factors.
* **Compliance Risk** is the current and potential risk to an entity from violations of, or noncompliance with laws, rules, regulations, prescribed practices, internal policies, and procedures, or ethical standards.

As such, a close out package may not be required if all other eligible expense documentation is in order; some projects may be required to provide proof of payment in some form should the PA administrators deem it prudent. Additionally, we strongly recommend that all applicants retain an accessible form of proof of payment for a minimum of 5 years.

**For All Projects Obligated Prior to August 3, 2022**

All large projects obligated prior to August 3, 2022, will require complete documentation of the eligible expense, contracts, labor contracts/timesheets, estimates/quotes/invoices, etc., prior to submission/obligation to include proof of payment within 90 days of project completion. Current thresholds for Maine’s active disaster declarations are as follows:

DR-4354-ME $125,100

DR-4367-ME $125,100

DR-4522-ME $131,100

DR-4647-ME $139,800

**Category Z – Management Cost Projects**

Management and administrative costs are available to reimburse applicants for eligible activities they undertake in the administration of their disaster grant. Regardless of project thresholds, applicants will be required to follow all large project documentation requirements including proof of payment regardless of threshold.

**Closeout Timeline**

Close out documentation and packages must be completed and according to size (small/large); both generally need to be complete and submitted with the certification within 180 days within the disaster end date.

For Small Projects: The applicant must submit the certification to FEMA within 180 days from the latest small project work completion date or the latest approved deadline of (all) the applicant’s small projects, whichever is sooner.

For Large Projects: The applicant must submit its certification of the applicant’s completion of each large project with the final project costs and supporting documentation to FEMA within 180 days of the work completion date or the Project deadline, whichever occurs first.

**Implementation**

We recognize that all organizations have different accounting systems and the exact format/type of proof of payment may vary between organizations. MEMA will coordinate with those organizations to agree on the best form of documentation that fulfills these requirements without creating undue administrative burden.

Please note, that for any project, of any size, FEMA may require additional documentation outside of what is being required in Grants Portal for initial submittal under both the current large and small project thresholds.

This guidance is subject to change in accordance with MEMA auditing, risk management and financial policies for grant administration. We STRONGLY ADVISE retention of all relevant documentation for projects and obligated expenses for a minimum of 5-7 years and be prepared to provide any and all documentation at any time for FEMA or other audit review.

**Project Closeout Checklist**

Upon receipt of a closeout request, MEMA will certify and forward the completed package to FEMA for final approval and reconciliation. Closeout request packages should include the following supporting documentation as applicable:

1. Cover Letter:

* Clearly Identify FEMA DR # (ex: DR-4522-ME)
* Project Number
* Identify Period of Performance
* Grantee certification identifying work as 100% complete
* Date work completed
* Total Project cost to include:
  + Amount requested
  + Anticipated overrun/underrun amount

1. Cost Summary Record:

List amount claimed for each type of work and total of claim for the following categories:

* Force Account Labor:
  + List labor costs (employee name, rate of pay, hours)
  + Source documentation (payroll reports, timesheets)
  + Fringe benefit calculations
  + Personnel/Pay policies
* Force Account Equipment:
  + Equipment used and name of operator
  + Equipment Rates (<https://www.fema.gov/assistance/public/tools-resources/schedule-equipment-rates>)
  + Salvage value
* Force Account Materials and Supplies:
  + Invoices
  + Proof of payment
  + Salvage value
* Contract Work:
  + Scope of work
  + Procurement procedures
  + Rental Agreements
  + Request for Proposals (RFP)
  + Bid Documents to include bid advertisement, bid tabulation sheet, bid lists, completed bid proposal of low bidder
  + Design plan and specifications
  + Price analysis to determine reasonableness of cost
  + Award Letters
  + Copy of signed contracts
  + Invoices
  + Proof of Payment

1. Insurance Information (as applicable):

* A complete copy of the Insurance Policy (including property schedule of insured items or locations)
* A Statement of Loss
* Copy of any payments received from Insurance Company
* Any estimate of damages and any correspondence related to insurance coverage or denial of coverage

1. Environmental, Historic Preservation (EHP) Documentation (as applicable):

* Check Record of Environmental Compliance (REC) for conditions
* US Army Corps of Engineers (USCE) permits and applicable certification forms
* State wetlands permits
* State Environmental approval letters
* State Historic Preservation Office approval letters
* Any other EHP documentation and correspondence

1. Other Closeout Considerations:

* Applicant procurement policies
* Applicable codes and standards
* Any relevant correspondence