U.S. Department of Homeland Security
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Washington, DC 20472

FEMA

APR 13 2007

MEMORANDUM FOR: FEMA Regional Administrators
FEMA Acting Regional Administrators
Regions I - X

ATTENTION: Response and Recovery Division Directors

FROM: David Garratt
Acting Assistant Administrator
Disaster Assistance Directorate

SUBJECT: Disaster Assistance Policy DAP9525.2
Donated Resources

The purpose of this memorandum is to announce the issuance of the attached final Disaster Assistance Policy DAP9525.2, Donated Resources. This policy describes criteria by which applicants will be credited for volunteer labor, donated equipment, and donated materials used in the performance of eligible emergency work (Categories A and B).

If you have any questions about this policy, please contact Lu Juana Richardson, Public Assistance Division, via email at LuJuana.Richardson@dhs.gov, facsimile (202) 646-3304, or phone (202) 646-4014.

Attachment

FEMA
DISASTER ASSISTANCE POLICY

I. TITLE: Donated Resources

II. DATE: April 9, 2007

III. PURPOSE:

Establish the criteria by which applicants will be credited for volunteer labor, donated equipment, and donated materials used in the performance of eligible emergency work – Categories A and B.

IV. SCOPE AND AUDIENCE:

This policy is applicable to all major disasters and emergencies declared on or after the publication date of this policy. It is intended for Federal Emergency Management Agency (FEMA) personnel involved in making eligibility determinations under the Public Assistance (PA) Program.

V. AUTHORITY:

Sections 403(a) and 502 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (Stafford Act), 42 U.S.C. 5121 – 5206, as amended, and Title 44 Code of Federal Regulations (CFR) §13.24, and OMB Circular A-87.

VI. BACKGROUND:

In some disasters, individuals and organizations donate volunteer labor, equipment, and material. The Federal government is not required to credit the value of "in-kind" contributions toward cost share arrangements. However, FEMA has determined that the value of "in-kind" contributions by third parties may be credited toward the calculation of the non-Federal share for eligible emergency work following declared disasters.

VII. POLICY:

Donated resources used on eligible work that is essential to meeting immediate threats to life and property resulting from a major disaster may be credited toward the non-Federal share of grant costs under the PA program. Donated resources may include volunteer labor, donated equipment and donated materials.

A. Eligibility. Donated resources are eligible to offset the non-Federal share of eligible Category A and B costs if they meet the following criteria:

1. The donated resources must be documented by a local public official or a person designated by a local public official. The documentation must include a record of hours worked, the work site, and a description of work for each volunteer, and equivalent information for equipment and materials. Regional Administrators may establish alternate documentation requirements when required by an extraordinarily demanding situation.

2. The donated resources must apply to emergency work that has been organized by an eligible applicant and is eligible under the PA program. Examples include, but are not limited to:

   a. Removing eligible debris.
   b. Filling and placing sandbags.
   c. Donating equipment to raise or reinforce a levee.
   d. Donating materials, such as rocks or sand.
   e. Search and rescue when part of an organized search and rescue operation.
   f. Professional safety inspections.
   g. Mass food and shelter for victims, when not the mission of the organization.

3. The donated resources must be documented on one or more Project Worksheets (PWs).

B. Value of Resources. 44 CFR 13.24 addresses how donated resources are to be valued. The following instructions are based on that part of the CFR:

1. Volunteer Labor: The value of volunteer labor is discussed in 44 CFR 13.24 (c) (1). The rate placed on volunteer labor should be the same rate (plus reasonable fringe benefits) ordinarily paid for similar work within the applicant's organization. Premium rates will not be used. If the applicant does not have employees performing similar work, the rate should be consistent with those ordinarily performing the work in the same labor market. To determine the value of volunteer labor, the labor rate should be multiplied by the total number of volunteer labor hours. Credit may be given for volunteer labor in any field reasonably required for emergency work, including the work of volunteer equipment operators.

2. Donated Equipment: To determine the value of donated equipment, determine the number of hours that each piece of donated equipment was used and multiply it by the applicable applicant's or FEMA's Equipment Rate, whichever is lower. The out-of-pocket cost

to operate the equipment may be claimed as a donation for credit under this policy unless it is included in a reimbursed equipment rate.

3. Donated Materials: Only materials donated by third party entities are eligible for credit. Typical donated materials include sand, dirt, and rocks, and other materials associated with flood-fighting activities. To determine the value of donated materials, use the current commercial rate for such material based on previous purchases or information available from vendors. Materials donated from other Federal agencies may not be included.

C. Calculations. The following guidance is to be used for calculation purposes:

1. "Total project cost" means the out-of-pocket costs (labor, materials, and contracts) plus the value of donated resources (limited to the maximum allowed, as provided in the next paragraph).

2. The maximum credit allowed for donated resources is calculated by dividing the non-Federal cost share percentage by the Federal cost share percentage (e.g., 25%/75% = .333 and 10%/90% = .111) and multiplying that factor by the out-of-pocket expenses for a particular PW or multiple PWs. When multiple PWs are going to be used for emergency work, the donations credit (with documentation listing each applicable emergency work PW) may be placed on one "credit" PW after all emergency work is completed.

3. The documented donations credit (not to exceed the maximum credit allowed for donation) is to be entered on the PW as a line item of the project cost. Any excess credit may be distributed to other emergency work PWs but may not exceed the maximum allowable credit for each PW.

D. Limitations.

1. The donations credit is capped at the non-Federal share of emergency work (Category A and Category B) so that the Federal share will not exceed the actual out-of-pocket cost. Any excess credit can be credited only to other emergency work for the same applicant in the same disaster. The value of excess donated resources cannot be credited toward another applicant, toward other State obligations, or toward permanent work.

2. A State may claim credit for the value of donated resources only according to the disaster cost-share agreement for the non-Federal share of cost for the eligible work. Credit for donated resources may not be applied for any work performed during a 100% Federally-funded period because the non-Federal share for that period would be zero.

3. Reasonable logistical support for volunteers doing eligible work may be considered an eligible cost or donations credit by the Regional Administrator.

4. Donated resources submitted for credit toward the non-Federal share may not be from another Federal grant or from other Federally funded sources.

VIII. ORIGINATING OFFICE: Disaster Assistance Directorate (Public Assistance Division).

IX. SUPERSESSION: This policy supersedes Response and Recovery Directorate Policy 9525.2, dated August 17, 1999, and all previous guidance on this subject.

X. REVIEW DATE: Three years from date of publication.

David Garratt
Acting Assistant Administrator
Disaster Assistance Directorate