



Disaster Cost Recovery & Emergency Financial Governance

- **Chris Rose, Director, Office of Management and Budget**
- **Cathie Perkins, Director, Emergency Management**
- **Ana Sarioglou, Disaster Recovery Program Manager, CDBG-DR**
- **Daniel Schoel, Disaster Cost Recovery Coordinator**

Agenda



- **Introductions**
- **Roles and Responsibilities**
- **Statutory and Regulatory Frameworks**
- **Pre-Disaster Preparedness and Documentation Best Practices**
- **Disaster Response and Financial Controls**
- **Post-Disaster Closeout, Grants Management, and Single Audit Requirements.**

Agenda, Cont.



- **Key Takeaways and Action Items**
- **Questions and Discussion**

Roles and Responsibilities



Role	Primary Focus	Key Responsibilities
Office of Management and Budget	Cash Flow, Budget Amendments, Reserves	Taps emergency reserves, executes budget transfers, manages cash flow, oversees local budget amendments.
Pinellas Recovers (CDBG-DR)	Grant Compliance, Funding Streams, Monetary Allocations	Ensures project funding allocation, monitors compliance, oversees funding drawdown.
Cost Recovery Coordinator	FEMA / FDEM Operations & Portal	Coordinates FEMA Public Assistance (PA), manages FloridaPA portal, tracks project worksheets (PWs), compiles cost documentation, ensures logistical financial compliance.
Emergency Management	ICS Operational Execution & Resourcing	Plans for upcoming operational periods, briefs executive stakeholders, coordinates resources, activates mutual aid, tracks field operations & resource requests.

A solid yellow circle is located on the left side of the slide, partially cut off by the edge.

STATUTORY AND REGULATORY FRAMEWORKS

Local Government Financial Emergency Act (Ch. 218 Part V, Fla. Stat.)



Purpose:

- Promotes fiscal responsibility among counties, municipalities, special districts, charter schools, charter technical career centers, and district school boards.
- Ensures essential services continue without interruption and financial obligations are met.
- Improves local financial management procedures.

A local entity is considered in financial emergency if any of the following occur due to insufficient funds:

1. Failure within the fiscal year to repay short-term loans or make bond/long-term debt payments.
2. Failure to pay uncontested creditor claims within 90 days of presentation.
3. Failure to transfer withheld taxes or employer/employee contributions timely (e.g., social security, pension).
4. Failure to pay employee wages/salaries or retirement benefits for one pay period.

Local Government Financial Emergency Act (Ch. 218 Part V, Fla. Stat.)



When in a financial emergency, the organization must notify:

- Local government must notify the Governor and Legislative Auditing Committee.
- Charter schools/technical centers notify their sponsors, the Commissioner of Education, and the Legislative Auditing Committee.
- District school boards notify the Commissioner of Education and Legislative Auditing Committee.



State Emergency Management Act (Ch. 252 Fla. Stat.)



Local Government Authority (Section 252.38)

Counties and municipalities have designated powers to manage local emergencies, including:

- Mandatory establishment of local emergency management agencies, with one per county unless part of a recognized inter-jurisdictional agreement.
 - Applies to lead local EM agencies, does not disallow municipal agencies.
- Agency directors must meet qualifications (training, experience, degrees, certifications, valid driver's license).
- School boards are required to support emergency operations by providing school facilities and transportation during declared emergencies.
- Local agencies may charge fees to review emergency plans from external entities, guided by state fee schedules.



Related Federal Laws (non-Inclusive)

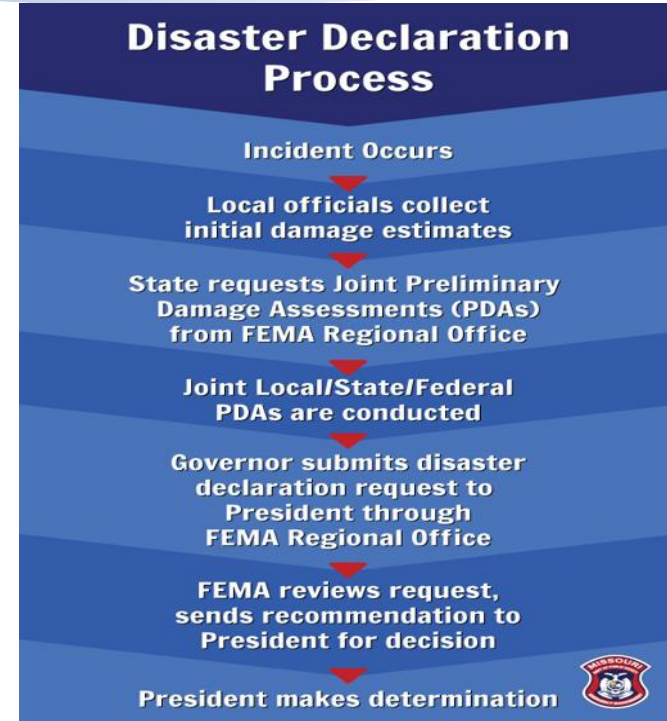


2 C.F.R. § 200:

- Federal Grant rules governing procurement standards, cost allowability, and record retention.
- Must be adhered to for all federal and pass-through grants.

The Robert T. Stafford Disaster Relief and Emergency Assistance Act (Public Law 100-707):

- Governs Federal Emergency Management Agency (FEMA) Public Assistance (PA) program.
- Provides a way for Governors to request a disaster declaration from the federal government, which is then approved or denied by the president.



What Does a Declaration Do?

- **Both emergency and disaster declarations allow local government entities to receive federal funding for response and repair costs.**
 - Emergency and Debris Work: Typically 75% federal, 12.5% state, 12.5% local.
 - Often raised to 90%-100% depending on the severity of the disaster and area of impact.
 - Permanent Work: Almost always remains at 75% federal cost share.
 - Organized into small or large projects with a \$1,062,900 threshold.
 - Grouping damages into projects is a collective effort between your organization and your FEMA Program Delivery Manager (PDMG) who is assigned to you after your Request for Public Assistance (RPA) has been approved. This is generally done during a Recovery Scoping Meeting (RSM). This begins a 60-day timeframe to identify damages.



The Declaration Process – Why Is It Important?



- **Cost estimation occurs in two phases:**
 - **Phase One: Consistent pre-declaration estimates for the State.**
 - Provided to emergency management or other coordinating agency; allows State to know if County has met threshold. Used in State's declaration request, which comes from the Governor. Both County AND State must meet their thresholds, currently \$5.03 per capita for the County (about \$4,711,747 for Pinellas County) and \$2.01 per capita for the State (about \$47,554,988 for Florida).
 - **Phase Two: Periodic and frequent verified cost accounting post-declaration as projects are formed.**
 - Provided to whoever within your organization will oversee the Public Assistance process; this step involves the actual reimbursement as well as informs FEMA and the State on the progress of permanent repair projects.

A solid yellow circle is located on the left side of the slide, partially cut off by the edge.

PRE-DISASTER PREPAREDNESS AND DOCUMENTATION BEST PRACTICES

Ensuring Federal Procurement Compliance



- **Pre-Negotiated Contracts**
 - Ensure capacity for dealing with known emergency work such as debris clearance, additional shelter staffing, etc.
 - Creates an obligation for contractors to respond at a time of immediate need; discourages contractors from “shopping around”.
- **Verification that contracts abide by 2 C.F.R. § 200.**
 - Eliminates the need for contract amendments at a time when administrative resources are stretched thin.

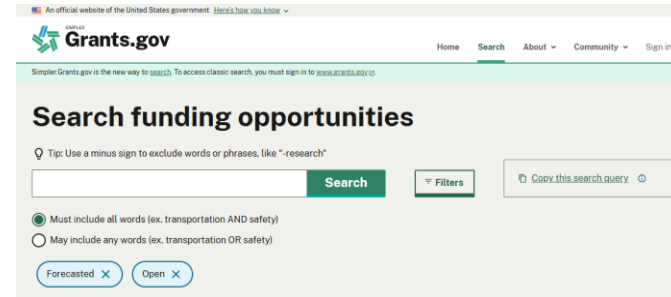
Tracking Expenditures and Funding Sources



- **Utilizing your organization's Enterprise Resource Planning (ERP) software.**
 - **Pinellas County, for instance, utilizes established emergency reserve funds to prepare for the possibility of emergency and disaster events.**
- **Establishing separate project designations upon emergency event onset.**
 - **These projects allow departments, when appropriate, to tap into emergency reserve funding as opposed to their operating budgets to respond to an emergency event.**
 - **These projects are also established in line with FEMA's categories of work, allowing separate accounting for debris clearance, emergency protective measures, and permanent repair work.**

Pre-Award Planning

- **Matching Funds.**
 - Know your likely funding sources for disaster relief – FEMA PA, Hazard Mitigation Grant Program, legislative appropriations, etc. – and what the potential local funding match is.
 - Does your organization have a source for those matching funds?
- **Award execution procedures.**
 - If a disaster is declared, do you have people who know how to apply for various forms of financial relief? How long will that application and approval process take?



Types of Work to Consider



- **Force Account Labor** – When an organization utilizes its own workforce to complete work.
 - **FEMA reimburses for overtime but not straight time.**
 - Exception occurs when work done is outside the employee's normal duties (i.e. a Public Works team member doing debris clearance is "normal", whereas a lawyer from the County Attorney's office working at a shelter is not).
- **Contract Work** – Outside workers are utilized to complete work.
 - **FEMA covers the entirety of the contract work, generally, and this often has the simplest documentation requirements.**

Debris Removal Required Docs



- **As an example, If your organization is utilizing force account labor to clear debris, the following is required:**
 - **General location and contents of debris.**
 - **Team member(s) who cleared the debris.**
 - **What equipment those team members were using.**
 - **Where the debris was taken.**
 - **Permits for all locations where debris is stored or processed.**
 - **Load tickets if applicable.**

Debris Removal Cost Accounting Best Practices



- **Ensure the debris work is on your organization's property.**
- **Track the equipment utilized in the work all the way from dump trucks down to chainsaws.**
 - **County currently utilizes Cityworks along with industry standard cost codes to calculate usage rate. Use must match up with an employee timecard.**
- **Ensure debris staging and disposal locations are included in documentation, usually on load tickets.**
- **Compile all load tickets from debris trucks making drop-offs at disposal site.**

Environmental Compliance Costs

- **Environmental compliance, is a secondary cost associated with significant amounts of permanent repair work, especially in Florida.**
- **Costs for professional endangered species monitoring, environmental surveying, etc., can cause repair costs to balloon significantly.**
 - **Generally can be done by the contractor should permanent repair work be done via contract.**



Insurance Coverage and Consideration



- **Granting agencies such as FEMA will not provide funding for damages or expenditures which can be covered by insurance.**
 - **Will cover damages if claim is denied or if under the insurance policy's deductible.**
- **If a damaged facility has insurance, be sure to include the insurance policy with your documentation submission.**
 - **Claim and subsequent denial will also be needed as documentation.**

Insurance Coverage and Consideration

- **FEMA, for example, requires uninsured or underinsured facilities to obtain and maintain insurance when funding is accepted for the repair or replacement of that facility.**
- **Self insurance is generally accepted, but sufficient funding to cover the potential loss must be demonstrated.**



Undesirable Contract Types



- **The gold standard for contracting, in terms of what grantors are favorable to, is the fixed-price contract.**
 - **Should include a not to exceed amount and a clause allowing for termination.**
- **Cost-Plus-Percentage and Time & Materials Contracts, as a rule, are barred from being used for grant funding or reimbursement.**
 - **These create an incentive for inflating costs as well as no driver for efficiency.**

Internal Pay Policy Compliance



- **Ensuring your organization's internal policies can be compliant with funding agencies who may reimburse or fund your emergency or repair work is critical.**
- **Labor policies in particular should be looked at carefully to ensure they don't provide a theoretical incentive to inflate labor costs.**
 - As an example: Pinellas County's emergency pay policy was seen by FEMA as too arbitrary until it was corrected in 2024. Any policies that activate special benefits or pay types should have a concrete "trigger" and should not be left to the decisions of one executive or group of executives.

Duplication of Benefits

- **FEMA will not provide funding for what has been covered by another grant program or agency.**
 - **Ex: During COVID-19, FEMA would not cover costs reimbursed by CARES Act funding.**



Post-Award Activities

- **Most disaster relief related awards contain significant amounts of post-award work including project management, quarterly reporting, and drawing down funds.**
 - **Does your organization have people who are knowledgeable and available to assist, or can you request temporary staffing augmentation?**
- **For nearly all grants, post-award supervision, monitoring, and completing permanent repair work will take years.**
 - **FEMA Public Assistance for Hurricane Andrew (1992) did not fully closeout for nearly thirty years. Hurricane Katrina (2005) Public Assistance is still ongoing.**



Single Audit Requirements and Document Retention



- **While the federal baseline for documentation retention is three years from the date of submission of the final financial report, Florida has a more stringent, five year minimum.**
 - Individual organizations may have policies that require retention beyond five years. The longest period of retention must be followed.
- **Any organization that spends over \$1M in federal awards – including those received from a pass-through entity – must submit an audit which includes review of the organization’s financial statements, compliance with award requirements, a Schedule of Expenditures of Federal Awards (SEFA), and a schedule of findings.**
 - Audits must be conducted by independent certified public accountants or governmental auditor following Generally Accepted Government Auditing Standards (GAGAS).

A solid yellow circle is located on the left side of the slide, partially cut off by the edge.

DISASTER RESPONSE AND FINANCIAL CONTROLS



Managing Internal Controls

- **Local State of Emergency allows for loosening of procurement regulations.**
- **Coordination between Emergency Management Director and County Administrator.**
- **Logistics Requests**
 - **Internal vs External**



Hazard Mitigation Grant Program HMGP



- **Annual funding opportunities - 404**
- **Post disaster opportunities - 406 damages**
 - Tiered opportunities for \$
- **State of Florida – approved Enhanced LMS**
- **Local Mitigation Strategy**
 - **Approved, adopted plan**
 - **Must be active participant in LMS**
 - **Must have projects on the list**
 - Scored for benefits to community



The Emergency Operations Center



- Interagency coordination.
- Split or shared financial responsibilities.
- The role of the State in resource procurement and funding.



Exigent Circumstances

- **Non-competitive procurement and immediate needs.**
- **Non-reimbursable purchasing decisions.**



A solid yellow circle is positioned on the left side of the slide, partially cut off by the edge.

COMMUNITY DEVELOPMENT BLOCK GRANT – DISASTER RECOVERY (CDBG-DR)

From Congress to Release of Funding



Costs Begin Before Action Plan Approval



Budget for startup costs

- Staff salaries and benefits.
- Unmet needs analysis.
- Action Plan development.
- Public notices and outreach.
- Environmental review work.



Document costs from day one

- Charge costs to the correct eligible activity.
- Record actual grant duties and time worked.
- Keep payroll records, invoices and support.



Routine timecards may need more details.



Access administrative funds earlier

An optional administrative Action Plan can provide access to administrative funds before approval of the full Action Plan.

Plan for cash flow while approvals are pending.



Establish a grant-specific timekeeping policy and train staff before work begins.

Pinellas Recovers Funding by Category



Housing

\$598,653,065

Home repairs, rebuilding, reimbursement, rental housing and homebuyer assistance.



Infrastructure

\$106,146,000

Local mitigation infrastructure projects.



Public services

\$32,147,392

Disaster relief reimbursement for owners and renters.



Economic and community revitalization

\$32,147,393

Small business and nonprofit recovery programs.



Planning

\$24,000,000

Recovery planning and needs analysis.



Administration

\$20,689,150

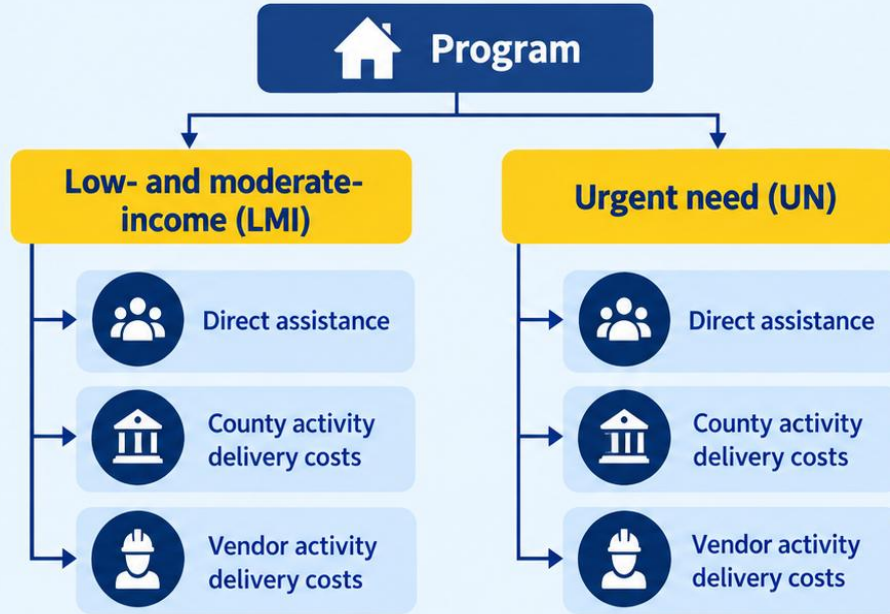
Grant management and oversight.

\$813,783,000

Total funding

Financial System Structure

Example: homeowner rehabilitation and reconstruction



1

Track LMI benefit

Monitor LMI and urgent need spending toward the 70% minimum LMI benefit requirement.

2

Compare delivery costs

See County and vendor costs separately and compare costs across programs.

3

Monitor mitigation

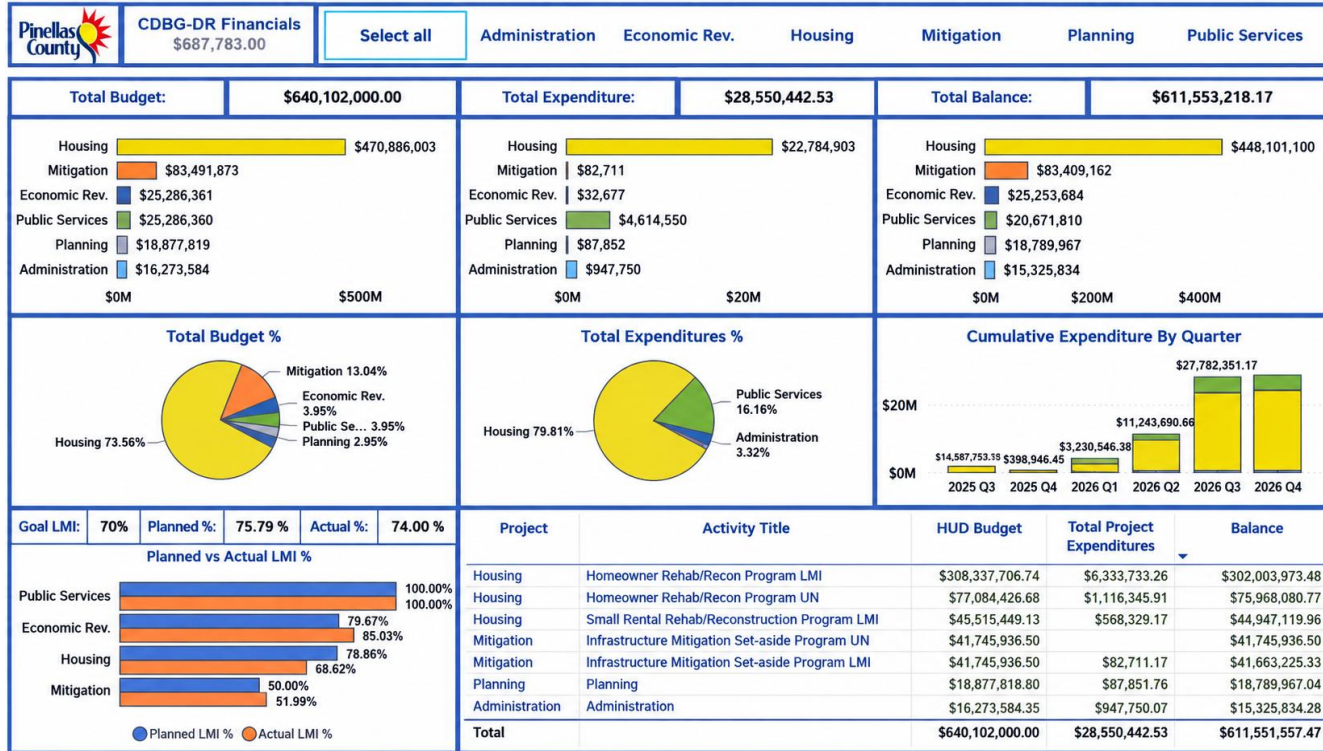
Track spending toward the required mitigation percentage.

4

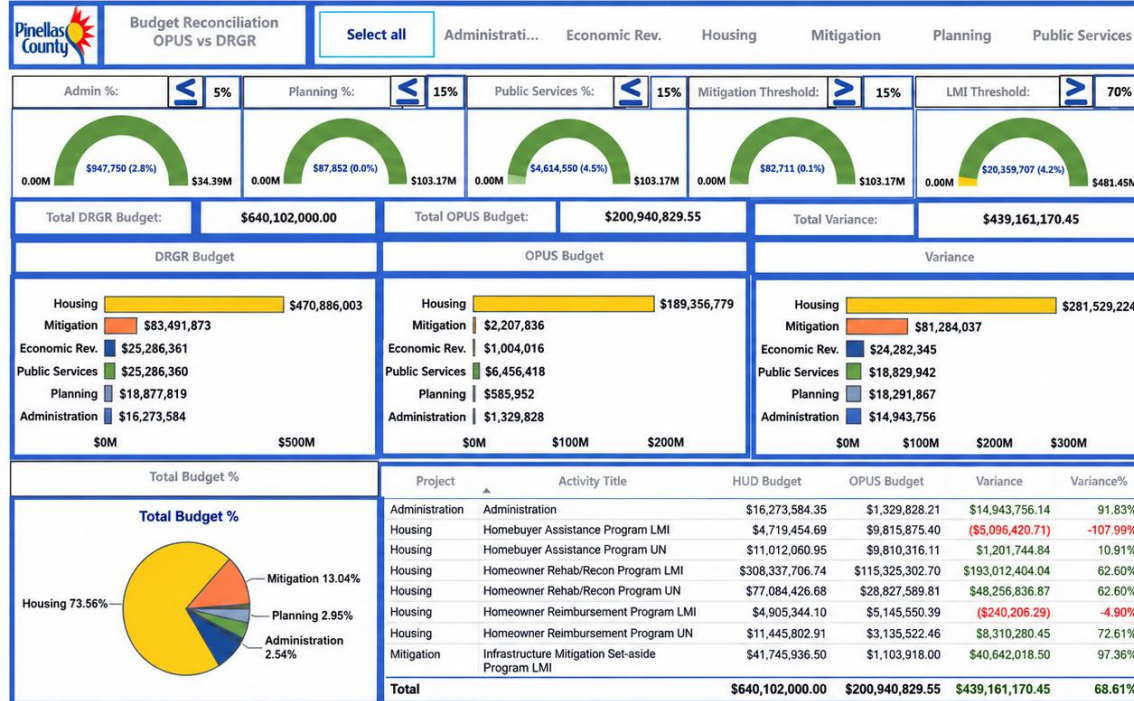
Reconcile and draw funds

Match County expenditures to the correct DRGR activity and determine draw amounts.

Financial Dashboards



Budget Reconciliation



1 Compare

Review OPUS and DRGR budgets by program and activity.

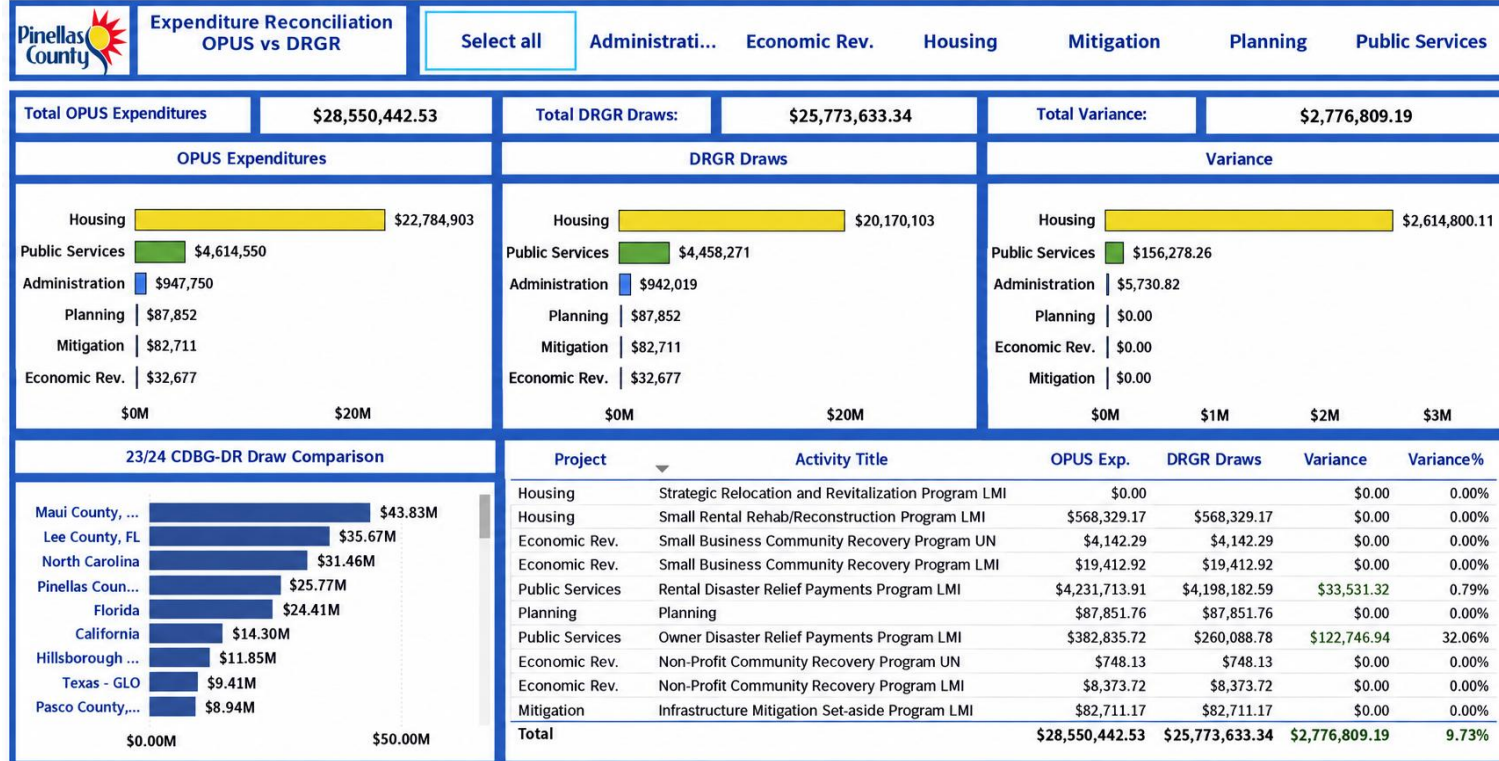
2 Explain

Check timing, coding and approved budget changes.

3 Resolve

Update records, verify totals and document actions.

Expenditure Reconciliation



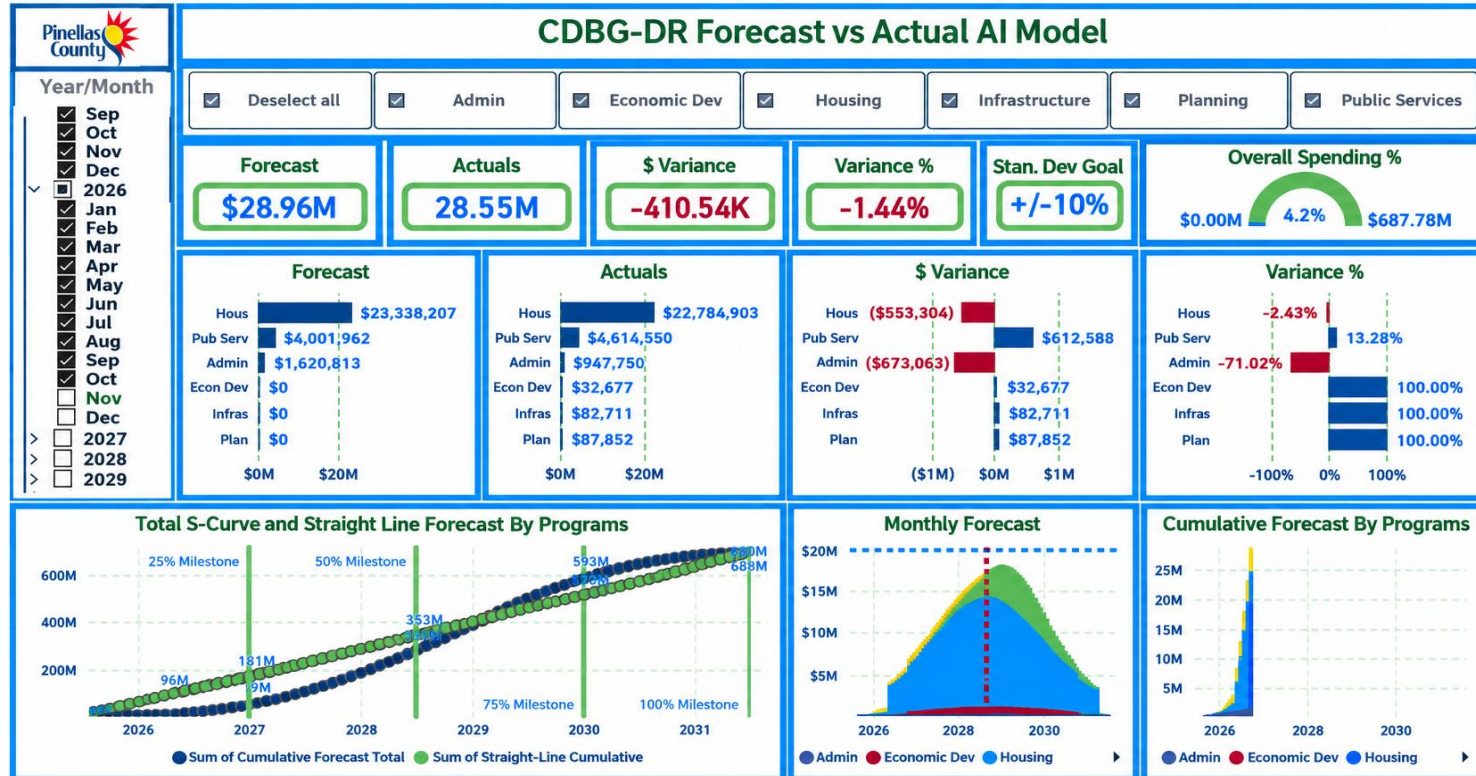
23/24 CDBG-DR Draw Comparison

County	Amount
Maui County, HI	\$43.83M
Lee County, FL	\$35.67M
North Carolina	\$31.46M
Pinellas Coun...	\$25.77M
Florida	\$24.41M
California	\$14.30M
Hillsborough ...	\$11.85M
Texas - GLO	\$9.41M
Pasco County,...	\$8.94M

\$0.00M
\$50.00M

Project	Activity Title	OPUS Exp.	DRGR Draws	Variance	Variance%
Housing	Strategic Relocation and Revitalization Program LMI	\$0.00		\$0.00	0.00%
Housing	Small Rental Rehab/Reconstruction Program LMI	\$568,329.17	\$568,329.17	\$0.00	0.00%
Economic Rev.	Small Business Community Recovery Program UN	\$4,142.29	\$4,142.29	\$0.00	0.00%
Economic Rev.	Small Business Community Recovery Program LMI	\$19,412.92	\$19,412.92	\$0.00	0.00%
Public Services	Rental Disaster Relief Payments Program LMI	\$4,231,713.91	\$4,198,182.59	\$33,531.32	0.79%
Planning	Planning	\$87,851.76	\$87,851.76	\$0.00	0.00%
Public Services	Owner Disaster Relief Payments Program LMI	\$382,835.72	\$260,088.78	\$122,746.94	32.06%
Economic Rev.	Non-Profit Community Recovery Program UN	\$748.13	\$748.13	\$0.00	0.00%
Economic Rev.	Non-Profit Community Recovery Program LMI	\$8,373.72	\$8,373.72	\$0.00	0.00%
Mitigation	Infrastructure Mitigation Set-aside Program LMI	\$82,711.17	\$82,711.17	\$0.00	0.00%
Total		\$28,550,442.53	\$25,773,633.34	\$2,776,809.19	9.73%

Financial Projections



A solid yellow circle is located on the left side of the slide, partially cut off by the edge.

KEY TAKEAWAYS AND ACTION ITEMS

Best Practices, Summarized



- **Ensure pre-staging of 2 C.F.R. compliant contracts your organization will likely use during an emergency event.**
- **Review internal policies to ensure things such as payroll and purchasing controls are clear.**
- **Have a plan for stopgap funding. Depending on the size of your organization, this may include transferring funds from other accounts or taking out a loan.**
- **Keep your financial documents organized and stored for at least five years after the closure of any federal or state funding agreement.**



QUESTIONS?