



New Hampshire Department of Safety Division of Homeland Security and Emergency Management

Administrative Costs – PAAP DAC FAQ

PAAP DAC Subrecipient Frequently Asked Questions (FAQ’s):

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1. What does PAAP DAC stand for?

PAAP DAC stands for Public Assistance Alternative Procedures - Direct Administrative Costs.

2. How is the PAAP DAC amount calculated?

The maximum available PAAP DAC amount is 5% of the sum of total eligible project costs (sum of the Federal and Non-federal share amounts). Actual costs incurred are reimbursed based on a 75% federal cost share, and 25% non-federal share.

The 5% includes a 1% “closeout incentive” that requires the Subrecipient to submit the Project Certification and Completion Report by the deadline outlined on each individual project’s Award Letter(s).

- If the Subrecipient submits a Project Certification and Completion Report by the deadline, the Subrecipient may be reimbursed for costs incurred up to the 5% (75% federal share, 25% non-federal share).
- If the Subrecipient fails to submit a Project Certification and Completion Report by the deadline, the Subrecipient will not be eligible to receive the 1% initiative amount. This reduces the maximum amount that the Subrecipient can receive to 4% of the sum of total eligible project costs.
- *The 5% amount can be found in the GrantsPortal within the Category Z project, Scope and Costs tab.*

3. What activities can be reimbursed with PAAP DAC?

PAAP DAC funds can be used to reimburse the following activities on eligible Public Assistance projects within the disaster (not an all-inclusive list):

- Site inspections
- Developing the detailed site-specific damage description
- Evaluating Section 406 hazard mitigation measures
- Reviewing the Project Worksheet (PW)
- Preparing Small Projects
- Preparing correspondence
- Travel Expenses
- Collecting, copying, filing, or submitting documents to support the claim
- Requesting disbursement of PA funds

For costs incurred by staff while managing a disaster:

- The salaries of administrative and clerical staff may be appropriate *only if all of the following conditions are met*:
 - Administrative or clerical services are integral to a project or activity;
 - Individuals involved are specifically identified with the project or activity;
 - Such costs are explicitly included in the budget for that project or have FEMA's prior written approval; and
 - The costs are not also recovered as indirect costs.

If ALL of the following are not met then, the costs are deemed as indirect costs.

- FEMA considers the following factors when determining the reasonableness of these costs:
 - Whether the type of employee and skill level is appropriate for the activities performed
 - The level of effort required to perform an activity

4. What activities can NOT be reimbursed with PAAP DAC?

The Subrecipient may **not use** the PAAP DAC funds to cover the following (not an all-inclusive list):

- Administrative costs on *ineligible* projects
- The non-federal share of any project (including PAAP DAC)
- Indirect costs (including Preliminary Damage Assessments)

5. How to request reimbursement for the PAAP DAC funds?

The Recipient (State of New Hampshire) may disburse funds to the Subrecipient upon their request for reimbursement using the [Public Assistance Reimbursement Request Form](#) found on the HSEM Resource Center.

6. What supporting documentation is required to include in the Reimbursement Request for the PAAP DAC funds (Category Z project)?

- A Reimbursement Request Letter (preferably on letterhead). A sample letter can be found at the top of the [Public Assistance Reimbursement Request Form](#).
- Total Amount for the Reimbursement Request
- Proof of Cost - all documentation related to the cost of the project (i.e., vendor invoices)
- Proof of Payment - all documentation related to the payment of the above invoices (i.e., copies of cancelled checks, bank statements, credit card statements)
- Additional Supporting Documentation such as:
 - Task based narrative
 - Spreadsheet of cost breakdown
 - An explanation of work performed with a representative sample of daily logs/activity reports. The activity must be related to eligible projects.
 - Specific description of administrative task performed by individual
 - Skill level and position description of individual performing task
 - Documentation to substantiate the necessity of any claimed office supplies, equipment, or space
 - For meetings or site inspections, the activity description needs to include the number and purpose of the meetings or site inspections.
 - Travel costs need to include the purpose of travel and a copy of the travel policy.
 - Training needs to include the location, date(s), and title of the course. The training must be related to PA and occur within the period of performance of the Category Z PW.

A table with a list of the required documentation is provided at the top of the [Public Assistance Reimbursement Request Form](#)

7. What about Excess Funds?

Excess funds are any amount remaining in the PAAP DAC award that is not claimed as actual costs incurred. Under the PAAP DAC program, these funds may be retained.

PAAP DAC excess funds may be used for (not an all inclusive list):

- Activities that improve future PA Program operations
- Training and exercises
- Planning for future disaster response and recovery operations
- Developing debris management plans
- Participating in State and local training for response and recovery
- Participating in federal grants management and procurement courses

Use of excess funds may also include cost-effective hazard mitigation activities that will reduce the risk of damage in future disasters. The Subrecipient may use the funds for hazard mitigation on facilities not damaged in the declared disaster. However, the mitigation must be applied to facilities that would otherwise be eligible for PA Program funding in future disasters. Obtain and maintain insurance requirements apply if funds are used toward an insurable facility. Excess funds may not be used on facilities that are ineligible due to a failure to meet previous obtain and maintain requirements.

8. How do we request usage of Excess Funds?

Subrecipients may request the use of Excess Funds using the [Public Assistance Excess Funds Usage Request Form](#) found on the HSEM Resource Center. The Excess Funds Usage Request must include the following:

- Proposal Letter (preferably on letterhead) to the State of New Hampshire that includes a list of specific training, activities, materials, etc. that you wish to use the excess funds for
- Proposed Timeline in which you propose to complete the activities and spend the excess funds (this can be an estimate)
- Cost associated with each training, activity, material, etc.
- Justification for how these training(s), activities, materials, etc. will help reduce the risk of damage in future disasters or improve future PA operations

9. What is the deadline to request Excess Funds Usage?

Excess Funds must be submitted within 180 days from the Subrecipient's last project Period of Performance.

- The Recipient will review the request for completeness before forwarding it to FEMA.
- FEMA will evaluate the proposed use for reasonableness to ensure excess funds are used in a prudent manner.
- If approved, FEMA will process a new PW to document approval of the proposed use of excess funds and an appropriate timeline for completion.
- FEMA will de-obligate any excess funds that are not associated with an agreed-upon proposal.

10. Can Excess Funds be requested with no actual administrative costs incurred (\$0.00 reimbursed)?

Yes, the PAAP DAC funds can be split between reimbursement for actual costs incurred and excess funds either equally or unequally. You may choose to request all of the PAAP DAC amount as Excess Funds.