



**FEMA**

January 9, 2014

Mark S. Riley  
Deputy Director – Disaster Recovery Division  
Governor’s Office of Homeland Security and Emergency Preparedness  
1500 Main Street  
Baton Rouge, LA 70802

Re: Closeout Incentive/Direct Administrative Costs  
GOHSEP; FIPS #000-U04DB-00  
FEMA-1603-DR-LA/FEMA-1607-DR-LA  
FEMA Correspondence Log #5930-O

Dear Mr. Riley:

This serves to expand on the February 13, 2013, letter sent from FEMA Headquarters to Kevin Davis, Director of GOHSEP (see attachment 1). The letter provides amended guidance for the authorization of Closeout Incentive/Direct Administrative Costs (COI/DAC) for disasters FEMA-1603-DR-LA (DR-1603) and FEMA-1607-DR-LA (DR-1607). As part of the latest guidance for COI/DAC, in order for a subgrantee to be reimbursed for its COI/DAC, all costs must have been incurred and all claims must be for eligible work that is documented, reasonable, and attributed to an eligible project. The following information provides clarification of the documentation requirements and the validation process.

Documentation

The level of COI/DAC documentation required follows the FEMA memorandum from Elizabeth Zimmerman, dated September 9, 2009, which clarifies Policy 9525.9 (see attachments 2 and 3). These tools, in conjunction with the guidance from FEMA’s COI/DAC letters dated June 12, 2012 (see attachment 4), and February 13, 2013 (see attachment 1), will enable FEMA and GOHSEP to successfully assist subgrantees with their COI/DAC claims.

All COI/DAC work, performed by in-house labor (force account) and/or by contractors, must be supported with submitted timesheets and invoices. These documents must clearly identify all billable COI/DAC hours by project worksheet (PW) number. Moreover, FEMA seeks a full description of each claimed COI/DAC task submitted, and a designation of the skill level necessary to accomplish each task. Subgrantees that elected to hire a contractor to perform COI/DAC tasks in support of their projects must also provide a copy of their executed contract with the consultant.

Validation

The COI/DAC letter dated June 12, 2012, outlines how FEMA analyzes and validates submitted COI/DAC claims. Each claimed COI/DAC task is reviewed to ensure it is an approved task for the subgrantee. FEMA will use the referenced guidelines to determine the scope of work's eligibility.

If the aggregate claimed COI/DAC costs for the specific PW are 3 percent or less, FEMA will accept the costs as reasonable and recommend the claim as eligible.

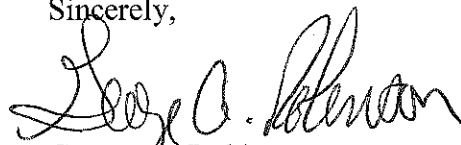
For PWs where a COI/DAC claim is made, but the projects have not been submitted for project completion certification, FEMA will require the subgrantee to provide their best estimate for the date of construction completion and date the project is expected to be ready for completion certification, as well as the COI/DAC work/tasks and estimated COI/DAC costs anticipated before the project is closed. FEMA may fund the current claim for those projects based on the information provided within the context of the FEMA COI/DAC February 13, 2013, letter.

FEMA will continue to track the aggregate COI/DAC funding for all subgrantee projects to ensure the aggregate COI/DAC does not exceed 3 percent. At closeout, the subgrantee must provide the source documentation cited above by PW for the COI/DAC claimed.

To date, GOHSEP has fulfilled the disaster-wide requirements for COI/DAC through August 29, 2013, and received an extension until August 29, 2014 (see attachment 5). No DAC costs will be accepted past August 29, 2014, unless GOHSEP meets the next COI/DAC performance metrics as listed in the June 12, 2012, FEMA letter.

If you have questions or need additional information, please contact Greg Eaton, Recovery Division Director, at (940) 898-5436.

Sincerely,



George A. Robinson  
Regional Administrator

Attachments:

- 1) FEMA letter dated February 13, 2013
- 2) FEMA Memorandum from Elizabeth Zimmerman, dated September 9, 2009
- 3) FEMA Policy, *Section 324 Management Costs and Direct Administrative Costs*, dated March 12, 2008
- 4) FEMA letter dated June 12, 2012
- 5) FEMA letter dated November 5, 2013

cc: Mark DeBosier, State Coordinating Officer, GOHSEP