

U.S. Department of Homeland Security
Louisiana Transitional Recovery Office
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FEMA

October 20, 2009

Mark DeBosier
Deputy Director - Disaster Recovery Division
GOHSEP
State of Louisiana
7667 Independence Boulevard
Baton Rouge, LA 70802

Re: Direct Management Costs
FEMA-1603/1607-DR-LA

Dear Mr. DeBosier:

This letter is intended to provide clarity on categories of Direct Costs as we work toward implementation of the Disaster Mitigation Act of 2000 (DMA2K). Direct Costs are retroactive and apply to all Katrina/Rita projects.

The policy allows for the funding of Direct Costs incurred by applicants in the development of each project worksheet (PW) on an actual cost basis. Direct Costs may be eligible on a project by project basis and calculated based on actual documented costs. Indirect costs are covered under the sliding scale funding as per 44 CFR §206.228.

The attached table provides examples of Public Assistance Direct Management Cost activities. This is not an exhaustive list and there may be exceptions to the categorizations.

Please do not hesitate to contact me with any questions or concerns.

Sincerely,

A handwritten signature in black ink, appearing to read "Tony Russell", written over a large, stylized flourish.

Tony Russell
Acting Director
Louisiana Transitional Recovery Office

Enclosure

cc: Mark S. Riley, Chief of Staff, GOHSEP

DIRECT COSTS - paid on a PW specific basis

Project Listing Development	Sub-Applicant Site Identification	Activities carried out to identify and generate a list of damaged sites for one specific project.
	Immediate Needs	Activities to discuss the need for immediate funding and collect supporting documentation for one specific project.
	Data Collection & Dissemination	Activities to collect damage data, invoices, estimates and support documentation related to one specific project.
	Travel & Expenses	Travel expenses related to one specific project for any of the direct administrative activities listed in this phase.
Project Formulation	Special Considerations	Activities carried out to evaluate the impact of hazard mitigation measures, insurance coverage, historic preservation, environmental impact, and flood risk for one specific site or project.
	Financial Compliance Reviews (PA)	Activities to review or support the compliance of the project with Public Assistance financial requirements for one specific project.
	Other Funding Anticipation	Activities to document funding, scope of work, and other impacts resulting from mitigation, alternate, improved, or other funding requests for one specific project.
	Site Visits	Activities related to visiting, surveying, and assessing sites for one specific project.
	Project Description Development	Activities related to developing the detailed site-specific damage description component of one specific project worksheet.
	Project Scope Development	Activities related to developing the scope of work component for one specific project worksheet.
	Project Cost Estimation & Documentation	Activities related to estimating/quantifying project costs, collecting supporting documentation, and calculating allowable fringe rates for one specific project.
	Alternate Site Project Request (if warranted)	Activities to assemble and support requests from FEMA and the grantee related to an alternate project request for one specific project.
	Site Improvement Project Request (if warranted)	Activities to assemble and support requests from FEMA and the grantee related to an improved project request for one specific project.
	PW Writing	Activities attributed to directly producing or writing the project worksheet for one specific project.
PW Processing	PW Review & Final Approval	Activities related to supporting the review of one specific project, including the final review and approval of the project worksheet by FEMA and the grantee.
	Travel & Expenses	Travel expenses related to one specific project for any of the direct administrative activities listed in this phase.
	Eligibility Review	Actions carried out to support FEMA and the grantee's determination of the sub-applicant, facility, work, and cost eligibility for one specific project.
	Program Funding Request Documentation	Activities to reproduce documents and files for use in supporting the project worksheet's funding request for one specific project.
	Program Funding Request Processing	Activities to assemble, transmit, and process program funding documents to request disbursement of funds for one specific project.
	Additional FEMA/Grantee Documentation Requests	Activities related to collecting and processing document requests from FEMA and the grantee for one specific project.
	Alternate Projects Development (if warranted)	Activities related to justifying and developing an alternate project plan and/or additional activities directly related to one specific alternate project request.
	Improved Projects Development (if warranted)	Activities related to justifying and developing an alternate project plan and/or additional activities directly related to one specific improved project request.
	Travel & Expenses	Travel expenses related to the processing of one specific project for any of the direct administrative activities listed in this phase.
	Project Payment Requests	Activities related to developing, requesting, transmitting, and processing documents to request all or portion of the allocated project award amount for one specific project.
	Project Cost Reconciliations	Activities to assist the grantee with assembling, transmitting, and developing final actual costs for grant closure related to one specific project.

Project Inspection Request: Evaluating/Estimating Cost Overruns	Activities to respond to grant review, inspection or closure document requests from the grantee for one specific project.
Preparing PW Versions for Cost Adjustments Other Program management/Close-out Activities Travel & Expenses	Activities to adjust or estimate cost over/under runs for the purpose of project closeout for one specific Project. Activities to support the development of a new version of the current project worksheet for the purpose of adjusting the project amount for one specific project. Activities related to the close-out process of a one specific project worksheet. Travel expenses related to one specific project for any of the direct administrative activities listed in this phase.

INDIRECT COSTS -- covered under the Sub-grantee/Grantee administrative allowance and cannot be claimed on a PW

Post Declaration Activities	Applicant Briefing	Activities related to attending and participating in the applicant's briefing for the overall program
	RPA Submission and Processing Other Pre-Award Activity	Activities related to the subgrantee's submission of its Request for Public Assistance (RPA) for the overall program. Any other activities related to general pre-award activities, including identifying and producing eligibility and other critical documents.
Project Listing Development	Kick-Off Meeting	Activities related to attending and participating in the applicant kick-off meeting for the overall program.
	Preliminary Cost Estimate Travel and Expenses	Activities to refine the initial total damage cost estimate before the individual project worksheets are developed. All travel expenses related to general support and not tied directly to one specific project.
Project Formulation	PW Exit Briefing FEMA/Grantee Meetings & Responses Travel and Expenses	Activities related to participation in the exit briefing for the overall program. Activities related to attending, coordinating, and responding to correspondence and meeting requests from FEMA and grantee officials for the overall program and not specific to one project. All travel expenses related to general support and not tied directly to one specific project.