

DJH 11/15/12

As noted in the Homeland Security Audit Tips for Managing Disaster- Related Project Costs, citations for the most frequent audit findings include:

1. **Poor Contracting Practices: Criteria:** Federal regulations (44 CFR 13.36) See attached PDF of CFR Part 44 with Section 13.36 highlighted.
2. **Unsupported Costs: Criteria:** *Federal cost principles (2 CFR 220, 225, and 230)* See attached PDFs of OMB Circulars which address: 220- Cost Principles for Educational Institutions, OMB CIRCULAR A-21; 225—Cost Principles for State, Local, and Indian Tribal Governments, OMB CIRCULAR A-87, and 230—Cost Principles for Non-Profit Organizations, OMB CIRCULAR A-122.
3. **Poor Project Accounting: Criteria:** Federal regulations (44 CFR 13.20 and 206.205). See attached PDF of CFR Part 44 with Section 13.20 highlighted. See attached PDF of CFR Part 44 Section 206 Federal Disaster Assistance with Section 206.205 Payment of Claims highlighted.
4. **Duplication of Benefits: Criteria:** Section 312 of the Stafford Act. See citation at the end of this list. Entire Stafford Act is also enclosed as a PDF
5. **Excessive Equipment Charges (applicability may vary with hazard mitigation projects): Criteria:** Federal regulations (44 CFR 206.228) See attached PDF of CFR Part 206 Federal Disaster Assistance with Section 206.228 Allowable Costs highlighted
6. **Excessive Labor and Fringe Benefit Charges: Criteria:** Federal cost principles (2 CFR 220, 225, and 230, 44 CFR 206.228) See attached as previously noted.
7. **Unrelated Project Charges: Criteria:** Federal cost principles (2 CFR 220, 225, and 230) See attached as previously noted.
8. **Unapplied Credits: Criteria:** Federal cost principles (2 CFR 220, 225, and 230) See attached as previously noted.

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Sec. 312. Duplication of Benefits (42 U.S.C. 5155)

(a) General prohibition - The President, in consultation with the head of each Federal agency administering any program providing financial assistance to persons, business concerns, or other entities suffering losses as a result of a major disaster or emergency, shall assure that no such person, business concern, or other entity will receive such assistance with respect to any part of such loss as to which he has received financial assistance under any other program or from insurance or any other source.

(b) Special rules -

(1) Limitation - This section shall not prohibit the provision of Federal assistance to a person who is or may be entitled to receive benefits for the same purposes from another source if such person has not received such other benefits by the time of application for Federal assistance and if such person agrees to repay all duplicative assistance to the agency providing the Federal assistance.

(2) Procedures - The President shall establish such procedures as the President considers necessary to ensure uniformity in preventing duplication of benefits.

(3) Effect of partial benefits - Receipt of partial benefits for a major disaster or emergency shall not preclude provision of additional Federal assistance for any part of a loss or need for which benefits have not been provided.

(c) Recovery of duplicative benefits - A person receiving Federal assistance for a major disaster or emergency shall be liable to the United States to the extent that such assistance duplicates benefits available to the person for the same purpose

(d) Assistance not income - Federal major disaster and emergency assistance provided to individuals and families under this Act, and comparable disaster assistance provided by States, local governments, and disaster assistance organizations, shall not be considered as income or a resource when determining eligibility for or benefit levels under federally funded income assistance or resource-tested benefit