

# PUBLICATION

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## FEMA Fact Sheet: Audit-Related Guidance for Entities Receiving FEMA Public Assistance Funds

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The Federal Emergency Management Agency (FEMA) recently released a Fact Sheet to help entities that have received, or expect to receive, funding under FEMA's Public Assistance program properly account for and document their eligible costs. FEMA's guidance comes at a critical point in response to the ongoing COVID-19 pandemic, as many entities are now working to re-open and determining whether they may be eligible to submit some of the resulting increased costs to FEMA for reimbursement. The Fact Sheet includes specific recommendations and "Audit Tips" for managing COVID-19-related project costs.

The Fact Sheet also includes confirmation of the version of the recently updated federal procurement requirements that will apply to FEMA's grants.

- For disaster declarations prior to November 12, 2020, FEMA grant programs are subject to the federal procurement standards found at [2 C.F.R. §§ 200.317-326](#).
- Due to changes to 2 C.F.R. 200, all grants associated with FEMA awards or disasters declared on or after November 12, 2020, are subject to the federal procurement standards found at [2 C.F.R. §§ 200.317-327](#).

FEMA also provides helpful guidance with respect to how entities may properly engage in noncompetitive procurement when a public exigency or emergency exists and the compliance requirements applicable to such efforts.

It is critical that any entity applying for FEMA assistance understand the applicable requirements and the type of documentation it must maintain to mitigate risks of future negative audit findings and later deobligation.

Please contact [Wendy Huff Ellard](#) or any member of [Baker Donelson's Disaster Recovery Group](#) for any questions.