



Chapter VIII: Federal System

This chapter is intended to help guide local and state economic recovery stakeholders — including economic development organizations, local and state government agencies, chambers of commerce, economic development districts and other recovery officials — through a wide range of supportive options. The federal government offers this assistance to maximize the speed and efficiency of economic recovery efforts after a disaster.

The chapter covers three main areas of interest for those seeking a better understanding of how to navigate through the federal disaster assistance programs:

- National Disaster Recovery Framework (NDRF)
- Types of federal assistance
- Post-disaster federal grant making process

This chapter concludes with a breakdown of federal disaster assistance programs which economic developers should consider including in their disaster planning and recovery strategies.

Federal Economic Development Programs

This toolkit provides a comprehensive list of federal programs, which details each of the economic development programs offered by federal departments and agencies. Please see the Appendix of this toolkit for a detailed list of these programs.

Things to Consider

Recovery and rebuilding efforts following a disaster can be extremely costly, particularly when the local economy has been crippled by the damaging impacts of the disaster. Communities may need assistance beyond that which insurance companies, foundations and other non-profit organizations, and the local and state authorities are able to provide. Disaster declarations can trigger additional federal funding or federal funding flexibilities to provide assistance in the recovery effort.

As a matter of due diligence in protecting taxpayer investments in recovery efforts following a disaster, federal assistance comes with responsibility. An essential element of maximizing the working partnership between your community and the federal government is understanding and anticipating the requirements of federal support from the outset of your collaboration.

Following are examples of items to consider as you read through this chapter and plan for how your community will respond to disaster.



- **There are many types of available federal resources.** – Before a disaster strikes, take the time to look into the various federal disaster recovery programs so that you are much better prepared to navigate through the various options when you actually need them. Eligibility requirements vary widely across federal programs.
- **Life saving and life-sustaining needs come first, but livelihoods should not be ignored as a critical component in recovery.** While most people would agree that safety and welfare are top priorities in planning, response and recovery, EDOs should be vocal proponents of the “economic recovery voice” for the businesses and industries. The first step for EDOs is to take a lead analytical role in surveying and then following up with support to the needs of affected businesses. In planning for support, how long assistance to businesses might be needed should be considered in addition to what type and how much assistance is needed.
- **Federal funding comes with responsibility. Typically, federal funds are appropriated for specific purposes and have corresponding requirements for their expenditure.** The application process and other requirements can be time-consuming and confusing, though both of these factors are significantly aided by proactively working to understand them before disaster strikes.
- **Different federal agencies have different requirements.** It is easy to think of the federal government as a single-source, single point-of-contact for assistance. However, the federal government is actually a complex organization made up of many different departments and agencies within those departments. For example, the Economic Development Administration is housed within the U.S. Department of Commerce, but has authorizing legislation and program requirements that are unique and exclusive from the rest of the Department. When examining federal disaster programs, keep in mind that the requirements for aid from one agency to another may vary.
- **Coordination between agencies can be challenging, but is worth the effort.** Some economic development organizations are experienced in working with multiple government agencies in their daily work and some are not. Depending upon your level of experience, coordinating between federal agencies can present challenges, especially during times following a crisis. Better coordination between federal agencies has been a top priority in recent years, as evidenced by the creation of the National Disaster Recovery Framework (NDRF). Take the time now to learn about this and you will find it easier to navigate when you most need it.

The Federal Response to Disasters

Major disaster declarations cover states or tribes and include designating counties for which post-disaster assistance is authorized. The disaster declaration is extremely useful to states and localities as it creates an opportunity for communities to access additional federal assistance programs, flexibilities, and funding to accelerate response and recovery initiatives. However, there are times that a disaster declaration does not occur and local and state governments must maximize their own resources to support recovery efforts.

Much the federal authority related to disaster response and recovery stems from the Robert T. Stafford Disaster Relief and Emergency Assistance Act (Public Law 100-707), signed into law on November 23, 1988. This law outlines the requirements and authorities related to the Individual Assistance, Public Assistance, and Hazard Mitigation programs. Often state and local emergency management offices are the primary liaison between the local government and FEMA (who administers these programs). It is critical that economic development



organizations build a strong relationship with the local and state emergency management offices to support the integration of local economic recovery needs with response activities.

FEMA: Strategic Plan³⁹

FEMA's strategic goals are as follows:

- I. Build a Culture of Preparedness**
 - a. Incentivize investments that reduce risk, including pre-disaster mitigation, and reduce disaster costs at all levels
 - b. Close the insurance gap
 - c. Help people prepare for disasters
 - d. Better learn from past disasters, improve continuously, and innovate
- II. Ready the Nation for Catastrophic Disasters**
 - a. Organize the "BEST" (Build, Empower, Sustain, and Train) scalable and capable incident workforce
 - b. Enhance intergovernmental coordination through FEMA Integration Teams
 - c. Posture FEMA and the whole community to provide life-saving and life-sustaining commodities, equipment, and personnel from all available sources
 - d. Improve continuity and resilient communications capabilities
- III. Reduce the Complexity of FEMA**
 - a. Streamline the disaster survivor and grantee experience
 - b. Mature the National Disaster Recovery Framework
 - c. Develop innovative systems and business processes that enable FEMA's employees to rapidly and effectively deliver the agency's mission
 - d. Strengthen grants management, increase transparency, and improve data analytics

The Whole Community Framework⁴⁰

FEMA employs a "whole community" approach, emphasizing the shared responsibility of all community members to take part in disaster prevention and recovery activities. According to FEMA, the "whole community" includes: Individuals and families, including those with access and functional needs

- Businesses
- Faith-based and community organizations
- Nonprofit groups

³⁹Federal Emergency Management Agency. *2018-2022 Strategic Plan*. Retrieved August 2018 from https://www.fema.gov/media-library-data/1533052524696-b5137201a4614ade5e0129ef01cbf661/strat_plan.pdf

⁴⁰Federal Emergency Management Agency. *Whole Community*. Retrieved August 2018 from <https://www.fema.gov/whole-community>



- Schools and academia
- Media outlets
- All levels of government, including state, local, tribal, territorial, and federal partners

The main principles for this approach are: involving people in the development of national preparedness documents, and ensuring their roles and responsibilities are reflected in the content of the materials.

FEMA outlines five main National Planning Frameworks to guide their disaster preparedness and response activities: the National Prevention Framework, the National Protection Framework, the National Mitigation Framework, the National Response Framework, and the National Disaster Recovery Framework. These frameworks set guidelines for cooperation, planning, and information sharing with actors at every level of disaster recovery, and help to delineate roles and responsibilities throughout the response and recovery process.

In addition to the “typical” disaster response and recovery programs led by FEMA, the National Disaster Recovery Framework (NDRF) is another tool employed with the state to support the recovery process. The NDRF represents the U.S. government’s concerted efforts to communicate the federal framework for disaster response and disaster recovery, including making existing federal post-disaster functions work more effectively together. The NDRF covers long-term recovery efforts, including the vast majority of economic recovery functions. The following section highlights the purpose and resources of the NDRF.

National Disaster Recovery Framework (NDRF)

The NDRF provides guidance on how federal government agencies coordinate disaster recovery assistance with one another and with state, tribal, and local governments. The purpose of the framework is to establish a common set of expectations, language, and roles to integrate and coordinate recovery activities. The NDRF recognizes that local, state, and tribal governments bear the chief responsibility for community recovery efforts, but that federal resources are necessary to supplement local resources.

The NDRF does not create new federal authorities or funding streams, but instead is meant to make existing disaster recovery functions more effective. It outlines roles and responsibilities and defines how federal agencies will work together in a team-oriented fashion to help meet the needs of state, tribal, territorial and local communities in the recovery phase after a major disaster declaration.

The framework “establishes a clear structure for (federal) interagency and nongovernmental partners to align resources and work together to support recovery in a holistic, coordinated manner.”⁴¹ It also seeks to educate localities and states about leadership roles and responsibilities in recovery before a disaster occurs.

⁴¹ Federal Emergency Management Agency (n.d.). *National Disaster Recovery Framework - Frequently Asked Questions*. Retrieved on April 25, 2014, from <http://www.fema.gov/national-disaster-recovery-framework-frequently-asked-questions>



The NDRF incorporates the values of the “whole community” with an emphasis on six core principles that are reflected in six recovery support functions (RSFs) (Coordinating agencies are in parentheses).

- **Community Planning and Capacity Building**
(Federal Emergency Management Agency (FEMA) , Department of Homeland Security (DHS))
- **Economic**
(Department of Commerce - Economic Development Administration (EDA))
- **Health and Social Services**
(Department of Health and Human Services (HHS))
- **Housing**
(Department of Housing and Urban Development (HUD))
- **Infrastructure Systems**
(United States Army Corps of Engineers (USACE))
- **Natural and Cultural Resources**
(Department of the Interior (DOI))

These efforts are supported by many additional federal departments, agencies and organizations. States and communities are encouraged to create their own recovery coordination structure that is complementary with their existing organizations and recovery priorities. Often with catastrophic or large-scale disasters the governor’s office will determine which state agency will manage different aspects of the recovery. For more information on the National Disaster Recovery Framework (NDRF), visit the official website at <http://www.fema.gov/recoveryframework>.

Economic Recovery Support Function (Economic RSF)

Because most economic recovery efforts take place after the initial phase of disaster response, the Economic Recovery Support Function (Economic RSF) of the NDRF is particularly important to economic developers working to stabilize their communities’ economies in the wake of a disaster.

The Department of Commerce, through the EDA, leads the Economic RSF. EDA’s role is to work on activities that facilitate interagency-intergovernmental coordination over the short and long haul of community recovery. To achieve this, the Economic RSF brings together the expertise and resources of the federal government to assist local, state and tribal governments and their private sector partners to build back more sustainable, resilient communities.

Economic recovery initiatives are typically focused on:

- Encouraging business and industry to resume operations through improving the flow of restoration information
- Enabling communities to retain businesses and their local workforce
- Encouraging greater access to needed financing for working capital and rebuilding purposes
- Connecting businesses with existing assistance services
- Supporting the creation of new business development and a diversified local economic base for building resiliency



Federal agency and department partners for the Economic RSF may include:

- Department of Homeland Security/Federal Emergency Management Agency (DHS/FEMA)
- Small Business Administration (SBA)
- Department of Agriculture (USDA)
- Department of Housing and Urban Development (HUD)
- Department of Labor (DOL)
- Department of the Treasury (TREAS)
- Corporation for National and Community Service (CNCS)
- Department of Interior (DOI)
- Environmental Protection Agency (EPA)
- Department of Health and Human Services (HHS)
- General Services Administration
- Department of State (DOS)
- Delta Regional Authority

The process by which the Economic RSF is able to assist local communities and states in post-disaster economic recovery includes the following essential efforts:

- Conducting a Mission Scoping Assessment – In partnership with the state, there must be an effort to capture the overarching issues as they relate to economic recovery.
- Developing a Recovery Support Strategy – In partnership with the state, the Economic RSF must document the federal capabilities available to be leveraged to support economic recovery.
- Implement the Recovery Support Strategy – The federal team effort will undertake those initiatives identified in the Recovery Support Strategy and work with the state to facilitate the transition to steady-state operations.

Activities of the Economic RSF typically include:

- Technical Assistance and Training
- Information sharing
- Leveraging existing resources within federal programs

See the text box in this chapter for specifics on the activities of the Economic RSF. Please also visit the disaster recovery section of the Economic Development Administration's website at <https://www.eda.gov/programs/disaster-recovery/>.

EDA relies heavily on the local, regional, and state EDOs to inform their assistance efforts. As a result there are often regular “data calls” or community-level meetings to gather economic recovery impact information. The EDO's role in supporting and opening up the lines of communication can be a very effective way of making known what economic issues are occurring locally.



Economic Recovery Support Function

The Economic RSF and state leadership work in partnership with communities to achieve a variety of outcomes as a result of its efforts, which may include:

- Establishing workforce development initiatives that retain and create jobs.
- Establishing entrepreneurial and business development initiatives.
- Assisting in the development of community-wide economic development plans with broad input and that consider local and regional economic recovery and resilience.
- Strategies for quickly adapting to changed market conditions, including re-opening existing businesses or establishing new businesses.
- Pursuing business initiatives to employ workers and generate revenue.
- Developing management plans to ensure the most effective use of federal funds.
- Ensuring that private and public sector actors have the information needed to make sound decisions about recovery.

Other Federally Declared Disasters

In addition to the President, other officials at the federal level can declare a disaster. As an example the Secretaries of Commerce, Health and Human Services, and Agriculture are empowered to declare disasters that open the possibility for different types of federal assistance. Additionally, the Small Business Administration Administrator can declare a disaster for purposes of economic injury disaster loans, while the Administrator of the Environmental Protection Agency can declare incidents related to water quality emergencies.

The Secretary of Commerce oversees the National Oceanic and Atmospheric Administration (NOAA), which has jurisdiction over the nation's fisheries. In instances where a fishery has failed – similar to a crop failure brought on by natural or man-made disaster – the Secretary of Commerce may declare a fishery disaster and request additional resources from Congress.

Similarly, the Secretary of Agriculture can declare an agricultural disaster as a result of crop failure, loss of livestock, or damage to farming structures or equipment. The declaration authorizes a number of federal responses through the Farm Service Agency and can open the door to additional resources to be authorized by Congress. Often other agencies will link the eligibility for their disaster program funds to the disaster declarations made by other federal agencies. As an example, during the 2012-2013 drought the SBA Administrator mirrored the USDA drought disaster declarations nation-wide. This opened up economic injury and disaster loans to non-agriculture firms impacted by the extensive drought that covered 2/3 of counties across the country.



Outreach and Advocacy

The best time to begin outreach and advocacy efforts related to disaster recovery is before disaster strikes. It is a critical component to any disaster preparation. Connecting with EDOs in other jurisdictions, Governor's offices, members of U.S. Congress and other branches and agencies of the Federal government may seem complicated, but in reality it can be as simple as picking up the phone or sending an email.

Economic development professionals should strive to proactively develop relationships with regional, state and federal partners. While communications throughout the year need not be frequent, urgent requests made to state and federal officials by unknown constituents following a disaster may be difficult. It is therefore important to proactively establish relationships during normal times so that when those relationships are most needed, they are already built.

Your state and federal representatives should be aware of your EDO's important work in the community and how government plays a key role in that work. Local or regional offices of Congressional delegates and federal agencies, for example, communicate regularly with their Washington D.C. offices and are important links available to economic developers in order to deliver information and needs. Because they are locally-based, your communication – and direct interaction – should be more frequent than communications with offices in Washington D.C. Many EDOs also schedule annual visits to the nation's capital to reach out directly to federal officials.

By communicating with your representatives, there is both the opportunity to impact the perspective the representative has about the capabilities of your organization and after a disaster the degree of economic impact that might be expected.

Outreach to Federal Agencies and Departments

Federal funding for economic recovery and rebuilding assistance flow through multiple agencies and departments. Links to website information can be found below:

- [Department of Homeland Security's Federal Emergency Management Agency \(FEMA\)](#)
- [U.S. Department of Housing and Urban Development \(HUD\)'s Community Development Block Grants \(CDBG\)](#)
- [Small Business Administration's Disaster Loans Program](#)
- [Small Business Development Centers \(SBDCs\)](#)
- [U.S. Department of Commerce's Economic Development Administration \(EDA\)](#) and [National Oceanic and Atmospheric Administration \(NOAA\)](#)
- [U.S. Department of Agriculture's Rural Development and Farm Service Agency \(FSA\)](#)
- [U.S. Department of Labor's Employment and Training Administration \(ETA\)](#) and [National Emergency Grant \(NEG\)](#)
- [U.S. Treasury's Community Development Financial Institution \(CDFI\) Program](#)
- [Internal Revenue Service's Disaster Assistance and Emergency Relief for Individuals and Businesses](#)
- [Department of Transportation's Federal Highway Administration \(FHA\)](#) and [Federal Transit Administration \(FTA\)](#)



- [Environmental Protection Agency \(EPA\)](#)

Some federal agencies AND programs have their own disaster assistance programs such as HUD's CDBG Disaster Recovery (CDBG-DR) program, while others like EDA use their existing programs such as the Economic Adjustment Program to distribute funds for recovery.

Please see the appendix for a complete list of federal agencies and departments and their programs for economic recovery and rebuilding following a disaster.

Connecting with a Federal Agency Representative

Many federal agencies have resources relating to disaster response and recovery on their agency or departmental website. These resources and processes can be typically found by entering the word "disaster" into the search boxes on their homepages. It is always a good idea to verify information found on the agency website by directly contacting the agency by phone or email.

Economic developers should identify a specific point of contact within each agency or department – especially those who participate in the Economic RSF – with whom to maintain contact with before and after an emergency. Please see the [Resources Appendix 12](#) for a sample template for maintaining a list of all federal agency contacts.

It is common to establish a federal employee as a point of contact even before a grant application is being discussed. Each federal agency and department has its own procedures for visiting federal employees overseeing grant programs - particularly if the agency has released a federal funding opportunity notice. For a list of federal agencies and departments that fund economic recovery and rebuilding, see the [Appendix](#).

The Federal Disaster Grant Making Process

The Stafford Act is the statutory authority for federal disaster response and recovery efforts. It outlines the use of the Disaster Relief Fund (DRF), which serves as the primary source of funds for the Federal Emergency Management Agency (FEMA) to perform disaster relief activities. It provides funds to provide mass care, to rebuild a community's damaged infrastructure, clear debris, aid individuals and families with uninsured needs, and mitigate the impacts of future disasters. The DRF has been funded at a level that is sufficient for "normal" disasters, but recent activity has been anything but normal.

Federal Appropriations

Congress makes funds available during the annual budget process to the various federal departments and agencies to assist in carrying out projects to benefit the public. After a presidential declaration, these funds can be prioritized for disaster recovery – particularly if Congress has not passed a disaster supplemental.



The majority of federal funding is divided between discretionary spending (which includes disaster funding) and non-discretionary spending (programs like Social Security and Medicare). Discretionary programs are subject to the annual budget and appropriations process, which publically begins with the release of the budget proposal from the White House in early February. Both chambers of Congress then debate the proposal and, if they are adhering to a strict interpretation of the process, pass budget resolutions setting the top-line spending cap for discretionary spending in the coming fiscal year.

Disaster Supplemental

Supplemental appropriations are additional funding to supplement exhausted or nearly exhausted federal funding for disaster recovery. These supplemental funding appropriations go beyond the regular agency budgets authorized in annual appropriation bills and may be subject to additional federal requirements.

Congress is likely to appropriate funds to the Disaster Relief Fund (DRF), which is distributed by FEMA. When a large disaster occurs, funding for the DRF may be augmented through the disaster supplemental appropriations. Congress can also appropriate funds to other accounts administered by other federal agencies. This supplemental funding is often meant to cover medium and long-term recovery and is distributed through existing federal programs such as EDA, CDBG-DR, DOT, or USDA.

Track Appropriations Going Through Congress

To anticipate what funding will be available when there are major disaster declarations, it is helpful to monitor when federal funds will be obligated and distributed. Sometimes, special resources are provided to communities impacted by a major disaster. Typically, these funds are disbursed to a state agency for distribution among affected communities. Local stakeholders should track and advocate for the efficient and equitable disbursement of such funds at the local level.

Applying for Federal Grants

Grants generally have strict accountability procedures to ensure that the funds are well managed and spent according to federal guidelines. Organizations that are awarded federal grants must be prepared to meet performance standards and certain requirements through the entire period of the grant.

Communities make requests for federal grants by submitting grant applications to specific federal programs – either through the website Grants.gov or by submitting requests directly to a federal agency or department. The key objectives set forth in the application must be approved and carried out as specified in the proposed scope of work.

Application Process

Understanding the missions, goals and restrictions under which federal agencies and departments operate can provide local communities with significant insight into how to write successful grant applications. Available funds are announced in the Federal Register as they become available. The official point of access for all information on federal grants is Grants.gov. This website filters grant opportunities through several categories, streamlining the



grant search. Grants.gov provides Federal Funding Opportunities (FFO) and Notices of Funding Availability (NOFA), which serve as good starting points for identifying important investment priorities and objectives of federal funding programs. These notices will also be located on the websites of federal agencies and departments.

Another resource in the grant search is the Catalog of Federal Domestic Assistance (CFDA), which provides a listing of all federal programs administered by 57 federal agencies that are available to state and local governments, territories, tribal governments, and nonprofit organizations. The website can be found online at <http://www.cfda.gov>. Entries in the CFDA explain who is eligible to apply, how the grant money can be used, how to apply, how applications will be reviewed, and what is expected of grantees.

Grant application forms must be thoroughly completed and submitted on time to be evaluated. Some federal agencies will provide further guidance in how to fill out the form. It is important to keep in mind that the project detailed in your grant application must be completed on time and with demonstrable success.

While federal agencies and their programs may have unique processes, the following actions should be considered when applying for federal funds:

- Research whether additional federal funds have become available through either regular appropriation or supplemental appropriation.
- Review the Federal Register Federal Funding Opportunity (FFO) for funds that have been announced.
- When applying for funds and submitting applications through Grants.gov, make sure to fully download the application as well as all supporting documents and carefully review the criteria on priority funding. You must submit the completed application with all required forms. Save a copy for your file.
- For those looking for guidance in developing and writing a successful grant proposal guide, visit the [CFDA website](#).

Grant applications are reviewed and awarded based on the policies and procedures of each funding organization. The grantee should effectively manage their awarded funds in an ethical and legal manner. They should monitor progress on the grant that outlines critical outputs, success, and achievement.

Do Your Homework

The single most effective step to successfully utilizing federal grants is to begin planning prior to disaster. By educating yourself about what options are currently in place across the various federal agencies, you will be better able to apply for resources following a disaster.

Package Federal Funds from Different Sources to Meet Local Economic Recovery Needs

Typically, in a disaster, communities need to combine funding from a variety of sources (different federal agencies, public and private resources, etc.) to meet their recovery needs. As an example, JEDCO in Jefferson Parish, Louisiana, obtained funds from both EDA and HUD's CDBG Disaster Recovery program for a revolving loan fund (RLF). This RLF provided critical assistance to hundreds of small businesses after Hurricane Katrina by distributing \$50 million in loans and grants.



Economic recovery professionals need a clear understanding of the requirements and waivers of various federal programs. They may need to mitigate conflicts between these requirements when putting together the resources to fund recovery activities. They particularly need to understand how to address Duplication of Benefits (DOB) issues, which refers to the use of federal funds from different programs for the same purpose. DOB is prohibited by law.

Leveraging Federal Dollars

Many federal grants are set up with a cost-share mechanism that requires a local match in terms of investment into your project. In other words, the federal government may provide only a partial amount — usually from 50 to 80 percent of total funding so that the grant recipient is encouraged to find support from other community partners or contribute their own funds. Some federal agencies allow for the portion that is not funded to be met with other contributions, including cash and in-kind value from the private and public sectors.



Commonly Requested Waivers

U.S. Dept. of Housing and Urban Development

- CDBG Action Plan Requirement
- Annual Performance Review Reporting Requirement
- Citizen Participation Requirement
- Expanded Distribution and Direct Action
 - Consistency with Consolidated Plan Requirement
- Overall Benefit to Low-to-Moderate (LMI) Persons
- General Administration Limitation/Cap
- Use of Sub-Recipients
- Program Income Requirements
- Eligibility — Housing Related
- Buildings for General Conduct of Government
- Job Relocation/Anti-Pirating Requirements
- Standard Certifications Requirements
- Application Requirements for Allocations Under Supplemental Appropriations Act

U.S. Economic Development Administration

- Matching Share Requirements and Investment Rates
- Comprehensive Economic Development Strategy (CEDS) Requirement
- EDA Procedures in Disaster Areas
- Waiver of non-statutory administrative or procedural conditions

U.S. Small Business Administration

- Timeline Requirement for SBA Loan Increase
- Maximum Amount Requirement for Physical Disaster and Economic Injury Business Loans
- Federal Debt Collection Requirement

U.S. Employment and Training Administration

- 6-month Limit on Employment for Disaster NEG Participants

U.S. Department of Agriculture Rural Development

- Rural Area Definition Requirement
- Limitation on Grant Amounts
- Matching Funds Requirement for Community Facilities Program
- Requirements for Renewable Energy Systems/Energy Efficiency Improvements
- Requirements for Value-Added Producer Grants

For more information on waivers, see the IEDC publication [Federal Disaster Recovery Funding: Minimizing Roadblocks to Maximize Resources](#).



Requesting Waivers of Federal Requirements

According to HUD's definition, waivers act as "relief from strict regulatory compliance upon a funding of good cause, subject to statutory limitations and waiver procedures pursuant to certain federal regulations codified in the Code of Federal Regulations. These federal requirements are dependent on the federal program as well as dictated by the mandates of the federal agency or department.

Community and economic recovery leaders should understand accepted uses of funds as prescribed by federal programs and when necessary, may request appropriate waivers of federal requirements if the requirement is too difficult for the community to meet or is viewed as an extreme burden on the local community in a post-disaster setting.

The ability to obtain a waiver depends partly on the type of waiver requested and how well a disaster-impacted community can justify the need to alter a requirement in order to meet unique local recovery needs. Some federal agencies have clear guidelines for issuing waivers to requirements related to their disaster assistance programs.

Laws vs. Regulations

To better understand what federal requirements may or may not be waived, it is important to note the distinction between laws and regulations. After Congress passes a law, the corresponding federal agency interprets the law and writes regulations based upon their interpretation. It is the regulations that determine how an agency executes the law. In some instances, the law itself may be somewhat restrictive in that it provides specific details or requirements on how the law is to be executed; in effect, limiting the agency's ability to interpret the intent and write regulations. In other instances, the law will be less restrictive, allowing the agency leeway in determining how to carry out the requirements of the law.

If the requirement is based something specific contained in the law, it is much harder to obtain a waiver. If the requirement, however, is based on the agency's interpretation of the law, it may be possible – dependent on a number of circumstantial factors – to obtain a waiver.

Communities such as New York City (after 9/11) and Grand Forks, N.D. (after major flooding in 1997) requested and successfully obtained waivers of certain requirements, which expedited the delivery of assistance and enabled more flexible use of federal funds for recovery and rebuilding.

Additional Resources on Waiving Federal Requirements

For more information on the subject of waiving federal requirements, visit RestoreYourEconomy.org to download the research report [Federal Disaster Recovery Funding: Minimizing Roadblocks to Maximize Resources](#). This report provides information on each of the different funding sources and their individual guidelines, as well as shows the more commonly requested waivers and the requirements that cannot be waived for each program.



Monitoring and Compliance

As a local community uses the grant award, it is critical to monitor grant activities for compliance with all relevant federal regulations and to ensure that funds are properly used according to the scope outlined in the grant proposal. Accountability is essential. Proper monitoring and compliance saves local communities from having to pay back funds or to deal with a stringent auditing process. Monitoring and compliance activities help the regulating agency know that funds are not being mismanaged. Communities should look at not only federal regulations, but also local and state regulations in the process of compliance. Compliance with state laws is required by the federal government.

It is beneficial to create your own set of instructions on how compliance and monitoring will be handled in your community prior to the distribution of funds. Once funds are distributed, it becomes much more difficult to regulate. HUD has a compliance manual for its CDBG-DR program, found here:

http://portal.hud.gov/hudportal/HUD?src=/program_offices/administration/hudclips/handbooks/cpd/6509.2

The state of Connecticut created a Compliance and Monitoring Manual for CDBG-DR funds, which is an example of good practice for future disaster impacted communities: http://www.ct.gov/ecd/lib/ecd/housing_files/cdbg-dr_action_plan_and_appendices.pdf

The U.S. Office of Management and Budget offers a Compliance Supplement:

https://www.whitehouse.gov/sites/whitehouse.gov/files/omb/circulars/A133/2017/Compliance_Supplement_2017.pdf

Additional Resources on Federal Grant Compliance

The federal government, led by the Office of Management and Budget and the U.S. Chief Financial Officers Council (USCFOC) has recently worked with the public and private sector to streamline the process for applying for and complying with federal grants. On December 26, 2013, OMB issued final guidance through a notice in the Federal Register titled: [Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards](https://www.federalregister.gov/articles/2013/12/26/2013-30465/uniform-administrative-requirements-cost-principles-and-audit-requirements-for-federal-awards) (<https://www.federalregister.gov/articles/2013/12/26/2013-30465/uniform-administrative-requirements-cost-principles-and-audit-requirements-for-federal-awards>). It is helpful to download and review these documents in advance of receiving a federal award.

In your efforts to better understand the process by which federal grants are obtained, administered, and monitored for compliance, it is also important to know that the rules change periodically. It is important to reach out to your contacts within your partner federal agencies and inquire about their agency's plan for implementing the Super Circular. Proactive outreach is the best measure to maintain relevant and current knowledge on grant compliance.