Hazard Mitigation Assistance
Cost Share Guide
For Applicants, Subapplicants, and FEMA

May 2016

FEMA

Federal Emergency Management Agency
Department of Homeland Security
500 C Street, SW
Washington, DC 20472
FOREWORD

The Federal Emergency Management Agency (FEMA) offers three Hazard Mitigation Assistance (HMA) grant programs: the Hazard Mitigation Grant Program (HMGP), the Pre-Disaster Mitigation (PDM) Program, and the Flood Mitigation Assistance (FMA) Program. Each of the HMA programs have specific non-Federal, cost share contribution requirements administered in accordance with the Federal cost-sharing requirements outlined in Title 2 of the Code of Federal Regulations (CFR), Sections 200.29, 200.306, and 200.434 and consistent with Title 44 of the CFR, the Robert T. Stafford Disaster Relief and Emergency Assistance Act, as amended, and the National Flood Insurance Act, as amended. This Guide is intended to provide a brief overview that will be helpful to grant Applicants in making cost share decisions and meeting Federal cost share requirements in the context of HMA grant programs.

- Section 1 of this Guide provides an overview of the HMA cost share requirements.
- Section 2 explains the importance of early coordination to meet cost share requirements and potential sources and types of cost share.
- Section 3 discusses the issue of Duplication of Benefits.
- Section 4 explains the benefits and challenges associated with using HMGP Global Match.
- Section 5 provides examples of HMA projects to show how cost share requirements can be met.
- The appendix contains definitions of terms used in the document.

This Guide does not provide a universal list of non-Federal cost share sources. The cost share requirements presented in this Guide are unique to the FEMA HMA programs. Applicants must check with funding agencies to determine cost share requirements for other programs.
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<th>Acronym</th>
<th>Description</th>
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<tbody>
<tr>
<td>BCA</td>
<td>Benefit-Cost Analysis</td>
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<tr>
<td>CDBG</td>
<td>Community Development Block Grant</td>
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<tr>
<td>CDBG-DR</td>
<td>Community Development Block Grant – Disaster Recovery</td>
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<tr>
<td>CFR</td>
<td>Code of Federal Regulations</td>
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<tr>
<td>DOB</td>
<td>Duplication of Benefits</td>
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<tr>
<td>EHP</td>
<td>Environmental Planning and Historic Preservation</td>
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<tr>
<td>EPA</td>
<td>Environmental Protection Agency</td>
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<tr>
<td>FEMA</td>
<td>Federal Emergency Management Agency</td>
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<td>FHA</td>
<td>Federal Housing Administration</td>
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<tr>
<td>FMA</td>
<td>Flood Mitigation Assistance</td>
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<td>HMA</td>
<td>Hazard Mitigation Assistance</td>
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<td>HMGP</td>
<td>Hazard Mitigation Grant Program</td>
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<tr>
<td>HUD</td>
<td>Department of Housing and Urban Development</td>
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<tr>
<td>ICC</td>
<td>Increased Cost of Compliance</td>
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<tr>
<td>NEMIS-MT</td>
<td>National Emergency Management Information System – Mitigation module</td>
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<tr>
<td>NFIP</td>
<td>National Flood Insurance Program</td>
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<tr>
<td>PDM</td>
<td>Pre-Disaster Mitigation</td>
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<tr>
<td>POP</td>
<td>Period of Performance</td>
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<tr>
<td>SBA</td>
<td>Small Business Administration</td>
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<tr>
<td>SFHA</td>
<td>Special Flood Hazard Area</td>
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<td>SOW</td>
<td>Scope of Work</td>
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<td>USDA</td>
<td>U.S. Department of Agriculture</td>
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In general, Hazard Mitigation Assistance (HMA) funds may be used to pay up to 75 percent of eligible activity costs. However, for specific programs and projects, such as those for repetitive loss (RL) and severe repetitive loss (SRL) properties, FEMA may cover up to 90 or 100 percent of the costs.

Potential matching funds (for non-Federal cost share) can come from different sources, such as applicants, subapplicants, property owners, insurance, other Federal agencies, or other third parties.

- **Cash** Cash can be from property owner, local or State government, or other donation. It is simple and ready to use.
- **Donated Resources** Professional services, labor, or materials may be donated by individuals or businesses.
- **HUD CDBG Funds** CDBG funds lose their Federal identity once allocated. Applicant must ensure funds are eligible to be used as cost share.
- **Government Loans (SBA/USDA)** Government loans, such as SBA or USDA loans, may be available. Applicants must ensure there is no Duplication of Benefits.
- **ICC Funds** Property owners may be eligible for up to $30,000 from NFIP for eligible flood mitigation activities.

This example shows the typical FEMA cost share requirement percentages and is representative of a residential structure elevation.

- **$150K** Cost of elevation
  - **$112.5K** FEMA HMA grant (75%)
  - **$30K** ICC payment (20%)
  - **$2.5K** Donated resources (1.7%)
  - **$5K** Homeowner (3.3%)
SECTION ONE INTRODUCTION

The Federal Emergency Management Agency (FEMA) offers three Hazard Mitigation Assistance (HMA) grant programs: the Hazard Mitigation Grant Program (HMGP), the Pre-Disaster Mitigation (PDM) Program, and the Flood Mitigation Assistance (FMA) Program. All share the common goal of reducing the risk of loss of life and property due to natural hazards. However, they have different funding authorization conditions, application time periods, and non-Federal cost share contribution requirements. In general, HMA funds may be used to pay up to 75 percent of eligible costs. The remaining 25 percent of eligible costs is derived from non-Federal sources. The non-Federal contribution must be used for an eligible cost in direct support of eligible mitigation activities under the applicable regulations (Title 44 of the Code of Federal Regulations [CFR] Sections 79.6 and 206.434), HMA Guidance, and the Federal award. Contributions of cash and donated resources, or any combination thereof, can be used for the non-Federal cost share. Table 1 provides an overview of Federal and non-Federal cost share requirements for the HMA programs.

Table 1: HMA Project Cost Share Requirements by Program

<table>
<thead>
<tr>
<th>HMA Programs</th>
<th>Percent of Share Federal/Non-Federal</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hazard Mitigation Grant Program (HMGP) provides funds to States, territories,</td>
<td>75/25</td>
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<tr>
<td>federally-recognized tribes, local governments, and eligible private</td>
<td></td>
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<tr>
<td>nonprofits following a Presidential major disaster declaration.</td>
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<tr>
<td>Pre-Disaster Mitigation (PDM) is a competitive grant program with an annual</td>
<td>75/25</td>
</tr>
<tr>
<td>Congressional appropriation. PDM provides funds to States, territories,</td>
<td></td>
</tr>
<tr>
<td>federally-recognized tribes, and local governments.</td>
<td></td>
</tr>
<tr>
<td>PDM – if the subapplicant or Applicant fits the definition of a small</td>
<td>90/10</td>
</tr>
<tr>
<td>impoverished community</td>
<td></td>
</tr>
<tr>
<td>Flood Mitigation Assistance (FMA) provides funds to mitigate National</td>
<td>75/25</td>
</tr>
<tr>
<td>Flood Insurance Program–insured properties and has an annual appropriation</td>
<td></td>
</tr>
<tr>
<td>from the National Flood Insurance Fund. FMA provides funds to States,</td>
<td></td>
</tr>
<tr>
<td>territories, federally-recognized tribes, and local governments.</td>
<td></td>
</tr>
<tr>
<td>FMA – if the project mitigates a repetitive loss property</td>
<td>90/10</td>
</tr>
<tr>
<td>FMA – if the project mitigates a severe repetitive loss property</td>
<td>100/0</td>
</tr>
</tbody>
</table>

Typically, the Applicant or subapplicant requires those who would benefit from the mitigation project (homeowners, businesses, nonprofit organizations, or local communities) to provide the non-Federal cost share of the mitigation activity. However, in some cases, Applicants (the States or tribes) or subapplicants will provide some or all of the non-Federal cost share. Ultimately, it is the Applicant’s responsibility to ensure that all cost share contributions are met.

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1 The Applicant and subapplicant become Recipient and subrecipient after an award is made by FEMA. For the purposes of this document, the terms Applicant and subapplicant are used to imply both.
This document provides an overview of grant application development, identifies potential sources and types of cost share, addresses Duplication of Benefits (DOB) concerns with respect to cost share, explains the concept of Global Match, and provides examples of how different types of cost share can be used to fund mitigation projects.
Early Coordination and Types of Cost share

SECTION TWO EARLY COORDINATION AND TYPES OF COST SHARE

Applicants determine their own mitigation priorities to mitigate natural hazards in their respective jurisdictions. From these broad mitigation strategies, community officials consider the public interest while targeting specific mitigation projects beneficial to their communities. Once a project(s) is identified by the Applicant, a subapplication is assembled. The principal components of a subapplication are the Scope of Work (SOW), budget, and schedule.

When developing HMA applications, the identification of a cost share source is a major consideration. A potentially eligible project deemed to meet programmatic requirements may not be viable if the cost share requirement cannot be met. The Applicant is responsible for administering HMA awards, including cost share strategies, contribution requirements, and documentation. Applicants and subapplicants must plan ahead to take advantage of opportunities for cost share.

For HMGP, Advance Assistance\(^2\) can be used to develop mitigation strategies and obtain data to prioritize, select, and develop complete applications in a timely manner (i.e., Environmental Planning and Historic Preservation [EHP] compliance considerations and cost share strategies). Coordination of Advance Assistance funds early in the decision-making process can help facilitate the development of a viable project, and simplify project administration. Potential sources of matching funds from the Applicant, subapplicant, property owners, or third parties include donated resources (cash, in-kind materials and services, labor and services), other Federal funds, and Increased Cost of Compliance (ICC) payments. These potential non-Federal cost share participants are listed below.

- **Applicant** – Some States, federally-recognized tribes, and territories provide partial or all of the non-Federal matching funds. After a Presidential major disaster declaration, other program funds or special appropriations may be identified to encourage timely and resilient recovery.
- **Subapplicant** – Some local governments or tribes provide partial or all of the matching funds. These funds can come from general or special appropriations, such as a stormwater management fund or other local funding program.
- **Property owners** – Property owners may use savings, loans, insurance payments, or ICC payments.
- **Third party** – Donated resources and services may be applied to the matching funds.

The identified matching fund types are applicable to all HMA programs. **Table 2** summarizes the advantages and considerations for different matching fund types.

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\(^2\) Advance Assistance allows advancing of up to 25 percent of the HMGP ceiling or $10 million, whichever is less, to Applicants and subapplicants.
Table 2: Advantages and Considerations for Matching Fund Types

<table>
<thead>
<tr>
<th>Potential Matching Funds</th>
<th>Provider of Funds</th>
<th>Advantages</th>
<th>Considerations*</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash</td>
<td>Applicant, Subapplicant, Property owner, Third party</td>
<td>Ready to use, Easy to track, Flexible</td>
<td>Requires documentation of cash donations (i.e., all deposit receipts and records of all donors must be kept) Can be a financial burden to property owner or local or State government</td>
</tr>
<tr>
<td>Donated Resources (in-kind materials and services)</td>
<td>Applicant, Subapplicant, Property owner, Third party</td>
<td>No cost to local community, Can be less expensive than contractor services</td>
<td>Requires extensive documentation of donated resources; including time, materials, and equipment Donations must be from a non-Federal source Cost of the donation must be an eligible line item in the project budget All donated materials must meet required design standards and all local, tribal, State, and Federal codes Costs incurred prior to FEMA approval, with the exception of some pre-award costs, are not eligible</td>
</tr>
<tr>
<td>Increased Cost of Compliance (ICC) Funds</td>
<td>National Flood Insurance Fund, Property owner</td>
<td>Can be made available in a timely manner, Suitable for residential demolition, relocation, floodproofing, or elevation</td>
<td>Property owner assigns their money to the subapplicant (usually their community) Only those funds that pertain to the specific HMA project can be used as cost share Limited to flood mitigation projects Limited to a maximum of $30,000 Property must be National Flood Insurance Program--insured and suffered Substantial Damage or repetitive loss as a result of flooding Timing and coordination</td>
</tr>
<tr>
<td>Department of Housing and Urban Development (HUD) Community Development Block Grant (CDBG) Funds</td>
<td>Federal agency, Applicant, Subapplicant</td>
<td>Leverages Federal assistance to reduce financial burden CDBG Disaster Recovery Supplemental funding is the most frequently used form of HMGP cost share from another Federal agency after catastrophic events</td>
<td>May need approval from HUD to use as part of the cost share; check with applicable Applicant agency that administers CDBG funding Applicant must ensure funds are eligible to be used as cost share as not all CDBG funds are eligible Review authorizing statute for additional information Must meet FEMA and HUD program requirements</td>
</tr>
</tbody>
</table>
### Potential Matching Funds

<table>
<thead>
<tr>
<th>Provider of Funds</th>
<th>Advantages</th>
<th>Considerations*</th>
</tr>
</thead>
</table>
| **Department of Housing and Urban Development (HUD) 203(k) Rehab Mortgage Insurance** | • Federal agency  
• Approved Federal Housing Administration (FHA) mortgage lender | • Many project types are eligible  
• Flexibility for the homebuyer or homeowner | • HUD requires that properties financed under this program meet certain basic energy efficiency and structural standards  
• Applications must be submitted through an FHA-approved lender  
• Requires early coordination of funding sources  
• The cost of the rehabilitation must be at least $5,000 in eligible improvements  
• Must meet FEMA and HUD program requirements |
| **Small Business Administration (SBA) Loans** | • Federal agency  
• Property owner | • Assistance can be expedited as the SBA works with property owners post disaster declaration via the FEMA application process for Individual Assistance | • Duplication of Benefits (DOB) may be a concern if the loan is a mitigation-specific disaster loan; general purpose loans are not considered DOB  
• Project must be in the area covered under a Presidential major disaster declaration or other adjacent counties designated by SBA  
• Must meet all SBA loan program requirements |
| **U.S. Department of Agriculture (USDA) Loans** | • Federal agency  
• Property owner | • Beneficial for low-income population in rural areas | • Single Family Direct Housing Loans and Single Family Repair Loans are available for low-income families in rural areas  
• Applicant must ensure funds are eligible to be used as cost share as not all USDA loans are eligible  
• Review authorizing statute for additional information  
• Income and population requirements vary  
• Must meet both USDA and HMA program requirements  
• Requires early coordination of funding sources |

Any combination of the match sources listed in this table may be used to meet the Federal cost share requirement.  
*All projects should undergo DOB review; see the 2015 HMA Guidance Part III, D.4 for more information.

The following subsections discuss types of potential matching funds, including cash, donated resources, ICC, and other Federal funds.

#### 2.1 CASH

A common form of non-Federal cost share is cash. The cash contributions may come from:

- Property owners’ savings or loans. Additionally, a property owner participating in an acquisition project may accept a portion of the appraised value of the house and apply the rest of the appraised value to the non-Federal cost share.
- The Applicant, subapplicant, or local communities, including funding from tax revenues, bonds, or other sources.
Early Coordination and Types of Cost Share

- The Applicant, subapplicant, or local communities’ grants, provided the funds are from the State, tribe, territory, or local institution’s own resources.

**Considerations for Cash Contributions:**

- Cash match is sometimes difficult to secure, but it is the easiest matching funding source to track and document.
- If funding is leveraged from tax revenue, bonds, or other sources, consider the timing required for Applicant, subapplicant, or local community allocation processes.

2.2 DONATED RESOURCES

Although an Applicant or subapplicant must meet the cost-share requirement, the cost share does not have to be cash; it can be donated resources. These resources may include the donation of cash, land (i.e. development rights for community safe room sites), material, labor, or services from any non-Federal source and can be used as a match for the non-Federal cost-share requirement.

**Considerations for Donated Resources:**

- Early coordination
  - Donated resources must be identified early during project development to avoid lost opportunities. Donated resources must be coordinated with the activities identified in the project SOW and per the timeline.
- Eligible costs
  - The cost must be an eligible line item in the budget.
  - With the exception of limited pre-award costs, costs incurred prior to FEMA approval are not eligible.
- Value of the donated resource
  - Values for contributions of services and property (including equipment) must be established in accordance with 2 CFR Section 200.434 (contributions and donations).
  - Market rates must be used for the value of donated material, labor, or services.
Early Coordination and Types of Cost share

- Value of donated land or development rights for constructing a community safe room should be determined by a licensed appraiser.
- The U.S. Bureau of Labor Statistics Occupational Outlook Handbook (www.bls.gov/ooh/) provides median hourly wages by occupation that can be used to determine the value of a specialized skill.

- Standards
  - Donated resources must meet all applicable local, tribal, State, and Federal codes and standards.
  - Qualified professionals (e.g., licensed general or specialty contractors and engineers) are usually required to provide professional services, including the installation of mitigation methods.
  - All donated material must meet required design standards.

**Documentation Requirements for Donated Resources:**

The following documentation is required for cash and third-party in-kind contributions:

- Record of donor
- Dates of donation
- Rates for staffing, equipment or usage, supplies, etc.
- Amounts of donation or value of donation
- Deposit slips for cash contributions

Such documentation must be kept on file by the Applicant and subapplicant. For details on specific record retention requirements see the 2015 HMA Guidance, Part VI Section F.

### 2.3 INCREASED COST OF COMPLIANCE

ICC coverage under the National Flood Insurance Program (NFIP) may be available when a building covered by a standard flood insurance policy sustains a flood loss and the community declares the building to be Substantially Damaged or repetitively flooded.

Up to $30,000 may be available from the policyholder’s ICC claim for elevation, relocation, demolition, and floodproofing activities. All activities other than floodproofing, which is available primarily for non-residential buildings, are applicable to residential and commercial buildings.

**Considerations for ICC:**

ICC is an NFIP benefit that can be used toward the cost match requirement if the activities conform to both ICC and HMA eligibility requirements. ICC-funded activities included in the project cannot start in advance of FEMA review and approval; otherwise, the cost of those activities will not be eligible to be applied towards the match requirement. By identifying NFIP properties where Substantial Damage or repetitive loss declarations are likely, subapplicants can
Early Coordination and Types of Cost share

capture the use of the NFIP policyholder’s ICC funds for cost match if those properties later become part of an HMA project.

If an ICC payment is being used as a subapplicant’s non-Federal cost share, the NFIP policyholder must assign the claim payment to the subapplicant. The NFIP policyholder can only assign the ICC benefit that pertains to the project to the subapplicant. The ICC assignment form is available here: Steps For the Assignment of Coverage D - Increased Cost of Compliance Coverage | FEMA.gov.

2.4 LIMITED USE OF FEDERAL FUNDS FOR MATCH

Generally, the non-Federal cost share may not include funds from other Federal agencies in order to avoid DOB (Section Four discusses DOB). However, some Federal awards have an authorizing statute that explicitly allows funds to be used as a match for other Federal grants in certain situations. Examples include:

- Department of Housing and Urban Development (HUD) Community Development Block Grants (CDBG) program funds, such as Entitlement Communities, Small Cities, or Disaster Recovery (DR) may be used by the subapplicant as a match as long as the HMA projects are eligible under the HUD program.
  - The CDBG-DR program funds are used to help cities and counties recover from presidentially declared disasters, especially in low- to moderate-income areas. Federally-recognized tribes and communities receiving the CDBG-DR need approval from HUD to use these funds for the HMA non-Federal cost share.
- HUD’s 203(k) Rehab Mortgage Insurance enables homeowners to finance a minimum of $5,000 for eligible improvements. Applications must be submitted through a Federal Housing Administration (FHA)-approved lender.
  - The extent of the rehabilitation covered by Section 203(k) insurance may range from relatively minor to major reconstruction. For example, repairing, reconstructing, or elevating an existing foundation, where the structure will not be demolished, is eligible. Also, it can be used for reconstructing a structure that has been or will be demolished, provided the complete existing foundation system is not affected and will still be used. For additional information, see: portal.hud.gov/hudportal/HUD?src=/program_offices/housing/sfh/handbook_4000-1.
- SBA Disaster Loans (mitigation): When SBA loan funds have been received by a property owner to complete a mitigation activity, HMA funds cannot duplicate the purpose covered by the loan, nor can they be used in the form of a grant for a loan “swap” or to pay down an SBA loan.
Early Coordination and Types of Cost share

In general, SBA loan funds are considered to be received by the property owner when the direct loan agreement has been signed by all parties and can be verified in FEMA records or through coordination with the SBA. If HMA assistance is available at an early enough point after a disaster, SBA mitigation loans may be used as a source of local match for HMA funds. Generally, an HMA funding commitment at the subaward level is not possible within the SBA loan timeframe.

- The U.S. Department of Agriculture (USDA) Rural Development offers loans to assist low- and very-low-income applicants obtain decent, safe, and sanitary housing or to repair, improve, or modernize their homes in eligible rural areas.
  
  - Single Family Direct Home Loans provide very low- and low-income people with the opportunity to acquire, build, rehabilitate, improve, or relocate dwellings in rural areas. Although not all project types are eligible for HMA, some mitigation components may be eligible. For more information see: [www.rd.usda.gov/programs-services/single-family-housing-direct-home-loans](http://www.rd.usda.gov/programs-services/single-family-housing-direct-home-loans).
  
  - Single Family Repair Loans provide funds to homeowners who cannot obtain other credit to repair or rehabilitate their properties. These funds may be used to make general repairs and improvements to properties, and to remove health and safety hazards. Although not all project types are eligible for HMA, some mitigation components may be eligible. For more information see: [www.rd.usda.gov/programs-services/single-family-housing-repair-loans-grants](http://www.rd.usda.gov/programs-services/single-family-housing-repair-loans-grants).

- Other loans and grants from regional commissions, Federal Bureaus, or other agencies may be used. If the Applicant secures the grant or loan from another source, it must check with the FEMA program office for eligibility to use as a source for the non-Federal cost share and to ensure no DOB occurs.
  
  - Any other funds that lose their Federal identity can be used as cost share for a Federal grant—for example, Repayment of Environmental Protection Agency (EPA) State Revolving Fund money. EPA provides Applicants a capitalization grant to capitalize a loan fund. From the loan fund, the Applicant gives loans to eligible recipients, such as municipalities and water treatment districts, who use the loans to build water infrastructure. When the loan recipients pay the loans back to the Applicant, the funds are considered non-Federal funds. However, the loan repayments can only be used for eligible activities identified in the EPA statutes (Clean Water Act and Water Resources Reform and Development Act).

For more detailed examples, see Section Four of this document and FEMA’s publication *Hazard Mitigation Assistance (HMA) Tool for Identifying Duplication of Benefits*, October 2012 ([www.fema.gov/media-library/assets/documents/30210?id=6815](http://www.fema.gov/media-library/assets/documents/30210?id=6815)).
SECTION THREE  
DUPLICATION OF BENEFITS

Applicants, subapplicants, and property owners must understand DOB policies and procedures to ensure that funds identified as a match are actually eligible and available for that purpose.

Duplication of Benefits Definition

DOB is the term used to describe the situation when assistance from more than one source is used for the same purpose or activity. The purpose may constitute all or a portion of a mitigation project. Specifically, HMA funds cannot be used where a Recipient, subrecipient, or individual’s disaster recovery or disaster mitigation needs have been or will be met through other assistance.

DOB may apply in the following circumstances: when assistance for the same purpose has been received; when assistance for the same purpose will be received; or when assistance for the same purpose is reasonably available from another source, such as insurance or legal settlements due to the property owner.

If funds from another Federal source have been used for the same purpose, the total HMA funds available to the Applicant must be reduced by the amount from the other Federal source. FEMA has published a guide on avoiding DOB. For more detailed examples, see Hazard Mitigation Assistance (HMA) Tool for Identifying Duplication of Benefits, October 2012 (www.fema.gov/media-library/assets/documents/30210?id=6815). This guide provides information on using HMA funds for mitigation projects and direction on verification processes and actions that can be taken to ensure that DOB does not occur.

Examples of DOB include:

- Other Federal assistance used for the same purpose, such as SBA Disaster Loans granted specifically for use on mitigation measures
- Unused NFIP or other insurance payments, if applicable

These funds cannot be used towards the required cost share.
SECTION FOUR  HMGP GLOBAL MATCH

Section 404 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act, as amended (the Stafford Act) limits the Federal contribution to eligible hazard mitigation measures under the HMGP to not more than 75 percent of the total eligible project costs. When using Global Match, the non-Federal cost share does not need to be 25 percent for each individual project, rather the non-Federal cost share for all of the Applicant’s submitted projects combined must equal 25 percent for the overall disaster.

Global Match allows the Applicant to utilize any cost share match that exceeds the minimum requirement (referred to as overmatch) from certain subawards to alleviate the financial burden on other projects. It also increases flexibility for the application of various cost share methods. The non-Federal cost share can come from a variety of sources, including cash or donated resources for eligible project costs from the Applicant, subapplicant, or mitigation recipient. The Applicant administers the program and has discretion to implement Global Match.

Timely coordination among the Applicant, FEMA, and any other entity that provides the overmatch is required to preserve the eligibility of the Global Match for the non-Federal cost share. HMA programmatic requirements must be met for all applicable funding sources (e.g., CDBG, ICC, donated resources). The following list highlights some review requirements to consider given the complexities of Global Match.

- Environmental Review:
  - Early environmental coordination must be completed to ensure effective implementation of Global Match. If CDBG-funded properties are included in an HMA project, both FEMA and HUD must complete an environmental review of the properties before homeowners can initiate any work on the properties. Likewise, ICC activities must be reviewed and approved by FEMA before work is initiated.
  - The Sandy Recovery Improvement Act of 2013 directed the development of an expedited and unified interagency EHP review process, also known as Unified Federal Review, to ensure that Federal agencies coordinate EHP compliance for projects. When two or more Federal agencies are involved with a project, or if any Applicant EHP coordination has occurred, relevant environmental and cultural resource considerations may have already been identified and addressed in previous EHP project planning activities. FEMA can utilize and/or adopt previous EHP documentation if that documentation addresses the scope of the FEMA-approved activity and FEMA verifies that it meets FEMA’s EHP compliance requirements.
  - Applicants and subapplicants should identify for FEMA whether their project will involve another Federal agency or agency with delegated Federal authority and provide any relevant information to help streamline and inform the EHP review.

- Planning Requirement:
  - Local communities must have a FEMA-approved Hazard Mitigation Plan. An otherwise eligible project without a Hazard Mitigation Plan cannot be used as a match.
Cost-Effectiveness:
- All projects included in the Global Match must be determined to be cost effective.

Eligible costs:
- All matching costs, including donated resources, must be eligible costs in a budget line item.
- DOB must be assessed.

NFIP Requirements:
- Community participation in the NFIP is required for properties located in a Special Flood Hazard Area (SFHA).
- NFIP insurance coverage is required, regardless of property owner transfer, after mitigation for all properties in the SFHA.
- Acquired properties must be deed restricted and either remain as open space in perpetuity or contain FEMA-approved compatible uses.

4.1 GLOBAL MATCH PROCESS

The Global Match process involves the following steps:

1. The Applicant must submit a cost share strategy as part of its Administrative Plan for review and approval to FEMA. Applicants may leverage Advance Assistance to obtain staff or resources to develop a cost share strategy and identify potential matching funds. To effectively manage the Global Match process, the Administrative Plan must explain how the Applicant will:
   - Apply the approach in a fair and equitable manner
   - Monitor cost share throughout the Period of Performance (POP)
   - Address cost share shortfalls

2. The Applicant must submit applications for all Global Match projects to FEMA in the National Emergency Management Information System–Mitigation (NEMIS-MT, also known as the HMGP System). This includes both partially and 100 percent non-federally funded applications.
   - NEMIS-MT (HMGP System) tracks the non-Federal cost share for the disaster in the Project Global Match tab located under the Funding Estimate. Additional information on Global Match can be found under Task #6 in Unit #11 of the NEMIS-MT (HMGP System) user manual (www.fema.gov/media-library/assets/documents/23468?id=4909).
   - All applications, not including Management Costs, should be added to the tab in NEMIS-MT to track Global Match. The Global Match is monitored by both the Applicant and FEMA throughout the POP.
3. FEMA will review the application(s) for all eligibility requirements, such as cost-effectiveness, technical feasibility, an approved hazard mitigation plan, and EHP considerations.

4. The Applicant must address any shortfalls prior to closeout.

4.2 BENEFITS AND CHALLENGES

The Global Match cost share method presents potential challenges that may or may not outweigh the benefits to the Applicant, subapplicant, or local community.

4.2.1 Benefits

As an Applicant, some of the benefits to using Global Match include:

- Increased flexibility in the use of various cost share methods at the Federal award (Applicant) level.
- The ability to utilize the cost share overmatch from certain subawards to help alleviate the financial burden on other subawards.

4.2.2 Challenges

Some of the challenges that an Applicant can encounter when using Global Match include:

- Additional effort to coordinate multiple projects and other cost share sources.
- Projects may not be eligible to use Global Match. For example, a community may be interested in a HUD CDBG–funded acquisition, with the option to redevelop, but are not willing to lose the tax revenue or maintain the deed-restricted parcels. If this is the case, the project is no longer eligible to be included for the Global Match because it no longer meets FEMA’s programmatic requirements.
- Ensuring that all programs' individual eligibility criteria are met is time consuming.
  - A HUD CDBG–funded project must be reviewed by HUD and FEMA prior to commencing with any physical work, such as groundbreaking, demolition, or construction.
  - Given the potentially lengthy review process, property owners may drop out of the FEMA application, reducing the projected match amount available. To account for this scenario, the Applicant may choose to submit a larger non-Federal cost share percentage (i.e., 30 percent) to maintain a financial buffer.
- All Global Match projects must be submitted prior to the application deadline.

4.3 KEY REQUIREMENTS

The key requirements for Global Match are as follows:

- Global Match projects must meet all programmatic requirements.
- The Global Match amounts must be tracked throughout the disaster.
The Applicant is responsible for ensuring the match requirements are met.

4.4 SUMMARY

The HMGP provides a finite amount of Federal funds. The use of HMGP Global Match eliminates the need for individual subapplicants to provide the 25 percent non-Federal cost share. However, at least 25 percent of the overall HMGP award amount must come from non-Federal contributions.
SECTION FIVE    HMA GRANT PROJECT EXAMPLES

This section includes four different HMA grant project examples that are intended to illustrate how the various cost share requirements can be met.

5.1 EXAMPLE 1: USING DONATED CASH AND SERVICES

In this example, the subapplicant intends to purchase a property located next to Little River Creek in the SFHA. The property will be turned into open space and deed restricted in perpetuity after acquisition. The total project cost is estimated at $114,000 and the city will utilize three different funding sources to provide the 25 percent non-Federal cost share:

- The homeowner will contribute $4,500 (cash match from homeowner).
- The city will demolish the house, and debris will be hauled to an approved landfill (in-kind services from subapplicant).
- The city will disconnect utilities, grade/level the lot for site stabilization, and record the deed (in-kind services from subapplicant).
- The Applicant’s Open Space Program will contribute a flat rate of $10,000 per repetitive loss property (cash match from Applicant).
- A licensed realtor has agreed to donate services for an appraisal and title search (in-kind services from a third party).

<table>
<thead>
<tr>
<th>Project Description</th>
<th>Acquisition and demolition of one repetitive loss house in the SFHA for a total project cost of $114,000 using an HMGP award</th>
</tr>
</thead>
<tbody>
<tr>
<td>Federal Share</td>
<td>$85,500 (75% of the total Federal award amount)</td>
</tr>
<tr>
<td>Non-Federal Cost Share</td>
<td>$28,500 (25% non-Federal cost share)</td>
</tr>
</tbody>
</table>
| Sources of Non-Federal Cost Share | • Donated in-kind resources from third party and subapplicant: $14,000 (49%)  
• Cash from Applicant: $10,000 (35%)  
• Cash from Property Owner: $4,500 (16%) |

<table>
<thead>
<tr>
<th>Subaward</th>
<th>Total Project Cost (Federal/Non-Federal)</th>
<th>Federal Share</th>
<th>Non-Federal Share</th>
<th>Sources</th>
</tr>
</thead>
<tbody>
<tr>
<td>Land and Building Value</td>
<td>$100,000</td>
<td>$85,500</td>
<td>$14,500</td>
<td>Federal, Applicant, and Property Owner</td>
</tr>
<tr>
<td>Appraisal and Title Search</td>
<td>$500</td>
<td></td>
<td>$500</td>
<td>Third party</td>
</tr>
<tr>
<td>Demolition</td>
<td>$10,500</td>
<td></td>
<td>$10,500</td>
<td>Subapplicant</td>
</tr>
<tr>
<td>Disconnect Utilities</td>
<td>$1,000</td>
<td></td>
<td>$1,000</td>
<td>Subapplicant</td>
</tr>
<tr>
<td>Deed Restriction Recordation</td>
<td>$500</td>
<td></td>
<td>$500</td>
<td>Subapplicant</td>
</tr>
<tr>
<td>Grading, leveling, site stabilization</td>
<td>$1,500</td>
<td></td>
<td>$1,500</td>
<td>Subapplicant</td>
</tr>
<tr>
<td>Total Project Cost</td>
<td>$114,000</td>
<td>$85,500</td>
<td>$28,500</td>
<td></td>
</tr>
</tbody>
</table>
5.2 EXAMPLE 2: USING DONATED RESOURCES AND SERVICES FOR RESIDENTIAL SAFE ROOM

The City of Twisterville will provide the PDM funding for 10 residential tornado safe rooms in the City. The 8-foot by 8-foot by 8-foot safe rooms are pre-designed and engineered to meet the standards of FEMA P-320, *Taking Shelter from the Storm: Building a Safe Room for Your Home or Small Business*, and withstand EF 5 tornadoes or 250-mile-per-hour wind loads. The interior safe rooms will be constructed of steel, and the doors will open inward to prevent entrapment. A list of the addresses and the longitude/latitude locations of the safe rooms will be shared with emergency personnel. The total project cost is estimated at $52,000, and the 25 percent non-Federal match will be provided by homeowner cash and donated resources as follows:

- The homeowner will contribute $5,000 (cash match from homeowner).
- A construction company will donate excavation services for the interior foundation column footing (in-kind services from a third party).
- A local hardware store will donate emergency backup generators for a redundant power source (in-kind resources).

<table>
<thead>
<tr>
<th>Project Description</th>
<th>Construction of 10 residential safe rooms for a total project cost of $52,000 using PDM award</th>
</tr>
</thead>
<tbody>
<tr>
<td>Federal Share</td>
<td>$39,000 (75% of the total Federal award amount)</td>
</tr>
<tr>
<td>Non-Federal Cost Share</td>
<td>$13,000 (25% non-Federal cost share)</td>
</tr>
<tr>
<td>Sources of Non-Federal Cost Share</td>
<td>• Donated in-kind resources from third party $8,000 (62%)</td>
</tr>
<tr>
<td></td>
<td>• Cash from Property Owner: $5,000 (38%)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Subaward</th>
<th>Total Project Cost (Federal/Non-Federal)</th>
<th>Federal Share</th>
<th>Non-Federal Share</th>
<th>Sources</th>
</tr>
</thead>
<tbody>
<tr>
<td>Safe room</td>
<td>$35,000</td>
<td>$35,000</td>
<td></td>
<td>Federal</td>
</tr>
<tr>
<td>Excavation</td>
<td>$6,000</td>
<td></td>
<td>$6,000</td>
<td>Third party</td>
</tr>
<tr>
<td>Communication</td>
<td>$1,000</td>
<td>$500</td>
<td>$500</td>
<td>Federal and Property Owner</td>
</tr>
<tr>
<td>Ventilation</td>
<td>$2,000</td>
<td>$1,000</td>
<td>$1,000</td>
<td>Federal and Property Owner</td>
</tr>
<tr>
<td>Electrical Lighting</td>
<td>$3,000</td>
<td>$1,000</td>
<td>$2,000</td>
<td>Federal and Property Owner</td>
</tr>
<tr>
<td>Moisture Protection</td>
<td>$3,000</td>
<td>$1,500</td>
<td>$1,500</td>
<td>Federal and Property Owner</td>
</tr>
<tr>
<td>Generator</td>
<td>$2,000</td>
<td></td>
<td>$2,000</td>
<td>Third party</td>
</tr>
<tr>
<td>Total Project Cost</td>
<td>$52,000</td>
<td>$39,000</td>
<td>$13,000</td>
<td></td>
</tr>
</tbody>
</table>
EXAMPLE 3: FMA PROPERTY ACQUISITIONS

In this example, the subapplicant intends to purchase three NFIP-insured properties located next to Floodwater Creek in the SFHA that meet the following FMA criteria:

- House A: NFIP-insured and has suffered minor flood damage in the past.
- House B: NFIP-insured and qualifies as a repetitive loss property that has suffered flood damage on two occasions for which the average cost of the repairs has exceeded 25 percent of the market value of the structure.
- House C: NFIP-insured and qualifies as a severe repetitive loss property that has had four separate flood insurance claim payments, each greater than $5,000, for a cumulative total over $20,000.

If House A, House B, and House C are submitted as one project, the aggregate Federal cost share percentage would be 89.4 percent. In this example, the subapplicant requires property owners of Houses A and B to provide their individual cost share amount.

<table>
<thead>
<tr>
<th>Project Description</th>
<th>Acquisition and demolition of three NFIP-insured properties using an FMA grant (one of each property type: flood insured, repetitive loss, and severe repetitive loss) in the SFHA for a total project cost of $850,000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Federal Share</td>
<td>$760,000 (89.4% of the total Federal award amount)</td>
</tr>
<tr>
<td>Non-Federal Cost</td>
<td>$90,000 (10.6% non-Federal cost share)</td>
</tr>
</tbody>
</table>
| Sources of Non-Federal Cost Share | • Cash from Property Owners: $60,000 (66.7% of required non-Federal cost share)  
• ICC payment: $30,000 (33.3% of required non-Federal cost share)                                                                 |

<table>
<thead>
<tr>
<th>Subaward</th>
<th>Total Project Cost (Federal/Non-Federal)</th>
<th>Federal Share</th>
<th>Non-Federal Share</th>
<th>Sources</th>
</tr>
</thead>
<tbody>
<tr>
<td>Acquisition and Demolition of House A – FMA NFIP Insured Property</td>
<td>$200,000</td>
<td>$150,000</td>
<td>$50,000</td>
<td>Federal and Property Owner</td>
</tr>
<tr>
<td>Demolition of House B – FMA Repetitive Loss Property</td>
<td>$30,000</td>
<td>$0</td>
<td>$30,000</td>
<td>ICC</td>
</tr>
<tr>
<td>Acquisition of House B – FMA Repetitive Loss Property</td>
<td>$370,000</td>
<td>$360,000</td>
<td>$10,000</td>
<td>Federal and Property Owner</td>
</tr>
<tr>
<td>Acquisition of House C – FMA Severe Repetitive Loss Property</td>
<td>$250,000</td>
<td>$250,000</td>
<td>$0</td>
<td>Federal</td>
</tr>
<tr>
<td>Total Project Cost</td>
<td>$850,000</td>
<td>$760,000</td>
<td>$90,000</td>
<td></td>
</tr>
</tbody>
</table>
5.4 EXAMPLE 4: USING GLOBAL MATCH

In this example, the Applicant receives a significant amount of HUD CDBG funding after a large disaster. The Global Match concept involves using the value of eligible mitigation activities funded by CDBG as the non-Federal cost share for the HMGP Federal award. The total amount available for HMGP for the disaster is $100 million. This amount will support mitigation projects totaling $133.3 million, including $33.3 million non-Federal cost share in addition to the $100 million Federal cost share.

The Applicant plans to use $33.3 million of CDBG funds to elevate or acquire flood-damaged properties in a low- and moderate-income community. If proper coordination occurs between FEMA, HUD, and the Applicant early in the disaster recovery period, the Applicant may use the value of the CDBG-funded acquisition and elevation projects as the non-Federal cost share match for the entire HMGP grant.

<table>
<thead>
<tr>
<th>Federal Award Description</th>
<th>A $133.3 million HMGP Federal award consisting of three subawards</th>
</tr>
</thead>
<tbody>
<tr>
<td>Federal Share</td>
<td>$100 million (75% of the total Federal award amount)</td>
</tr>
<tr>
<td>Non-Federal Cost Share</td>
<td>$33.3 million (25% non-Federal cost share)</td>
</tr>
<tr>
<td>Sources of Non-Federal Cost Share</td>
<td>HUD CDBG can be used as a non-Federal match. NOTE: HUD appropriations may have limits on use for cost share. The Applicant is responsible for ensuring that the proposed CDBG funds are eligible for use as cost share.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Subaward</th>
<th>Total Project Cost (Federal/Non-Federal)</th>
<th>Federal Share</th>
<th>Non-Federal Share</th>
<th>Sources</th>
</tr>
</thead>
<tbody>
<tr>
<td>Property Acquisition &amp; Elevation</td>
<td>$33,333,333</td>
<td>$0</td>
<td>$33,333,333</td>
<td>HUD CDBG (Global Match)</td>
</tr>
<tr>
<td>Property Acquisition</td>
<td>$50,000,000</td>
<td>$50,000,000</td>
<td></td>
<td>Federal (HMGP)</td>
</tr>
<tr>
<td>Structure Elevation</td>
<td>$50,000,000</td>
<td>$50,000,000</td>
<td></td>
<td>Federal (HMGP)</td>
</tr>
<tr>
<td>Total Project Costs</td>
<td>$133,333,333</td>
<td>$100,000,000</td>
<td>$33,333,333</td>
<td></td>
</tr>
</tbody>
</table>
5.5 EXAMPLE 5: USING GLOBAL MATCH AMONG PROJECTS

Example 5 illustrates applying the Global Match among approved projects for a Presidential major disaster declaration within a State. The total amount available for HMGP for the disaster is $1.5 million. The State is required to secure the remaining non-Federal share amount of $500,000. Three subawards will be funded by 100 percent Federal funding, while two others will provide the non-Federal matching funds. The Applicant plans to use $500,000 from five non-Federal sources: property owners, the Applicant, donated resources, CDBG, and ICC to provide the non-Federal cost share for the award. The award consists of five subawards: elevation, acquisition, residential safe rooms, generators, and a wind-retrofit application.

<table>
<thead>
<tr>
<th>Grant Description</th>
<th>A $2,000,000 HMGP award consisting of 5 subawards</th>
</tr>
</thead>
<tbody>
<tr>
<td>Federal Share</td>
<td>$1,500,000 (75% of the total Federal award amount)</td>
</tr>
<tr>
<td>Non-Federal Cost Share</td>
<td>$500,000 (25% non-Federal cost share)</td>
</tr>
</tbody>
</table>
| Sources of Non-Federal Cost Share | - For the elevation project, 25 percent of the non-Federal cost share will be met using ICC funds  
- Three of five subawards are funded by 100 percent HMGP funding with use of Global Match from the residential safe room project  
- Residential safe room project is funded by Global Matches from homeowners’ contributions of $50,000, nonprofit organization’s donation of $50,000, city’s contribution of $100,000, and $200,000 in CDBG funds |

<table>
<thead>
<tr>
<th>Subaward</th>
<th>Total Project Cost (Federal/Non-Federal)</th>
<th>Federal Share</th>
<th>Non-Federal Share</th>
<th>Sources</th>
</tr>
</thead>
<tbody>
<tr>
<td>Acquisition (4 structures)</td>
<td>$400,000</td>
<td>$400,000</td>
<td></td>
<td>Federal (HMGP)</td>
</tr>
<tr>
<td>Elevation (10 structures)</td>
<td>$400,000</td>
<td>$300,000</td>
<td>$100,000</td>
<td>Federal (HMGP) and ICC funds</td>
</tr>
<tr>
<td>Residential Safe Rooms (100)</td>
<td>$50,000</td>
<td>$50,000</td>
<td></td>
<td>Property Owners</td>
</tr>
<tr>
<td></td>
<td>$50,000</td>
<td>$50,000</td>
<td></td>
<td>Donation</td>
</tr>
<tr>
<td></td>
<td>$100,000</td>
<td>$100,000</td>
<td></td>
<td>Subapplicant</td>
</tr>
<tr>
<td></td>
<td>$200,000</td>
<td>$200,000</td>
<td></td>
<td>CDBG-DR</td>
</tr>
<tr>
<td>Generators (50)</td>
<td>$400,000</td>
<td>$400,000</td>
<td></td>
<td>Federal (HMGP)</td>
</tr>
<tr>
<td>Wind Retrofit (100 structures)</td>
<td>$400,000</td>
<td>$400,000</td>
<td></td>
<td>Federal (HMGP)</td>
</tr>
<tr>
<td><strong>Total Project Cost</strong></td>
<td><strong>$2,000,000</strong></td>
<td><strong>$1,500,000</strong></td>
<td><strong>$500,000</strong></td>
<td></td>
</tr>
</tbody>
</table>
APPENDIX – DEFINITIONS

The following definitions are for HMA program use and clarification of this Guide and are not meant to provide a definition for use under other programs or supersede any FEMA or other applicable regulation.

Administrative Plan: A procedural document that details how the Applicant will administer the Hazard Mitigation Grant Program (HMGP). Applicants must have a current Administrative Plan approved by FEMA before receiving HMGP funds. The Administrative Plan may become an annex or chapter of the Applicant’s overall emergency response and operations plan or comprehensive mitigation program strategy.

Applicants: The entity, such as a State, territory, or federally-recognized tribe, applying to FEMA for a Federal award that will be accountable for the use of the funds. Once funds are awarded, the Applicant becomes the Recipient or pass-through entity or both.

Application Time Periods: The application time period is the period of time when Applicants and subapplicants can submit applications and subapplications under the Hazard Mitigation Assistance (HMA) programs. For HMGP, the opening of the application period is the date when HMGP is authorized, which is the date of the Presidential major disaster declaration. The opening of the application period for PDM and FMA is established annually by FEMA via the Notice of Funding Opportunity announcement.

Statute: A law by which the legislature gives an agency certain responsibilities and authority.

Award: A grant of financial assistance for a specified purpose by the Federal Government to an eligible Recipient.

Cost-Effectiveness: A quantification of benefits or future losses avoided divided by project costs. If the proposed benefits are greater than the cost, then the project is determined to be cost effective; if the benefits are less than the cost then the project is not cost effective. A determination of cost-effectiveness is required by FEMA to justify spending money on the project.

Cost share: The portion of the costs of a federally assisted project or program borne by the Federal Government or a non-Federal government entity. Cost share is used interchangeably with the term match.

Donated Resources: The donation of cash, material, labor, or services from any non-Federal source used to satisfy the non-Federal cost share requirement.

Duplication of Benefits (DOB): A situation that arises when HMA financial assistance that is requested or received is available or received for the same purpose or activity from another source. The specific purpose or activity may constitute all or a portion of a mitigation project. Specifically, FEMA HMA funds cannot be used where a Recipient, subrecipient, or individual’s disaster recovery or disaster mitigation needs have already been met or will be met through other available sources of assistance.
Federal Share: The portion of the costs of a federally assisted project or program borne by the Federal Government.

Global Match: The pooling of non-Federal contributions to satisfy the 25 percent non-Federal cost share requirement for the entire HMGP award.

HMGP Ceiling: The total amount of HMGP funding made available for the Presidential major disaster declaration. This calculation is based on a percentage of the estimated total Federal assistance under the Stafford Act, excluding administrative costs as described in Title 44 of the Code of Federal Regulations Section 206.432(b). This amount, also known as the “lock-in” value for HMGP, is the maximum that FEMA can obligate for eligible HMGP activities. Funding estimates are made available until the final lock-in is determined.

Increased Cost of Compliance (ICC): NFIP coverage for expenses an insured property owner must incur, above and beyond the cost to repair the physical damage to the structure actually sustained from a flooding event, to comply with mitigation requirements of State or local floodplain management ordinances or laws. Acceptable mitigation measures are structure elevation, dry floodproofing, structure relocation, structure demolition, or any combination thereof. ICC funding may count as a non-Federal cost share contribution if all eligibility requirements are met.

In-Kind Match: In-kind contributions are non-cash donations provided by non-Federal third parties. These can be in the form of real property, equipment, supplies, services, and other expendable property.

Match: The portion of the costs of a federally assisted project or program borne by the Federal Government or a non-Federal government entity. Match is used interchangeably with the term cost share.

Non-Federal Cost Share Contribution: The portion of the costs of a federally assisted project or program not borne by the Federal Government.

Overmatch: The non-Federal cost share above the minimum required contribution for the subaward or award. Overmatch in HMGP may be utilized as a cost share strategy for HMGP Global Match.

Pre-award Costs: Costs incurred after the HMA application period has opened, but prior to the date of the Federal award or final approval, are identified as pre-award costs. Pre-award costs are limited costs for activities that are directly related to application development (e.g., developing Benefit-Cost Analyses, gathering environmental planning and historic preservation data, preparing design specifications, or holding meetings related to the development/submission of applications).

Repetitive Loss (for the FMA program only): A structure that:

a. Has incurred flood-related damage on two occasions, in which the cost of the repair, on average, equaled or exceeded 25 percent of the market value of the structure at the time of each such flood event; and
b. At the time of the second incidence of flood-related damage, the contract for flood insurance contains ICC coverage. The Biggert-Waters Flood Insurance Reform Act of 2012 cites the repetitive loss structure definition located in Section 1370 of the Flood Insurance Act.

This Repetitive Loss definition is the one that communities typically reference when trying to determine eligibility for ICC when a property has sustained multiple losses that cumulatively equal or exceed 50 percent of the structure’s value. For a structure to be eligible for the increased Federal cost share of 90 percent, a property must meet the FMA repetitive loss definition in the Biggert-Waters Flood Insurance Reform Act of 2012.

**Severe Repetitive Loss Property (for the FMA program only):** A structure that:

a. Is covered under a contract for flood insurance made available under the NFIP; and

b. Has incurred flood-related damage –

   (i) For which four or more separate claims payments (includes building and contents) have been made under flood insurance coverage with the amount of each such claim exceeding $5,000, and with the cumulative amount of such claims payments exceeding $20,000

   or

   (ii) For which at least two separate claims payments (includes only building) have been made under such coverage, with the cumulative amount of such claims exceeding the market value of the insured structure

To receive the increased Federal cost share of 100 percent, a property must meet the FMA severe repetitive loss definition in the Biggert-Waters Flood Insurance Reform Act of 2012.

**Small and Impoverished Community (for the PDM program only):** Small and impoverished communities may receive a Federal cost share of up to 90 percent of the total amount approved under the Federal award to implement eligible approved mitigation activities in accordance with the Stafford Act. A small impoverished community must:

- Be a community of 3,000 or fewer individuals identified by the Applicant as a rural community that is not a remote area within the corporate boundaries of a larger city or jurisdictional area or boundary
- Be economically disadvantaged, with residents having an average per capita annual income not exceeding 80 percent of the national per capita income, based on best available data. For the most current information on the national income, see [www.bea.gov](http://www.bea.gov).
- Have a local unemployment rate that exceeds by 1 percentage point or more the most recently reported, average yearly national unemployment rate. For the most current unemployment information, see [www.bls.gov/eag/eag.us.htm](http://www.bls.gov/eag/eag.us.htm).

**Special Flood Hazard Area (SFHA):** The land in the floodplain within a community subject to a 1 percent or greater chance of flooding in any given year. An area having special flood,
mudflow, or flood-related erosion hazards, and shown on a Flood Hazard Boundary Map or a Flood Insurance Rate Map as Zone A, AO, A1–A30, AE, A99, AH, AR, AR/A, AR/AE, AR/AH, AR/AO, AR/A1–A30, V1–V30, VE, or V.

**Subapplicants:** A State-level agency, federally-recognized tribe, local government, or other eligible entity that submits a subapplication for FEMA assistance to the Applicant. Once funds are awarded, the subapplicant becomes the subrecipient.

**Subaward:** An award provided by a pass-through entity to a subrecipient for the subrecipient to carry out part of a Federal award received by the pass-through entity. It does not include payments to a contractor or payments to an individual that is a beneficiary of a Federal program. A subaward may be provided through any form of legal agreement, including an agreement that the pass-through entity considers a contract.