



FEMA

SRIA Fact Sheet

DEOBLIGATION OF GRANTS AFTER TWO YEARS

On January 29, 2013, President Barack Obama signed into law the Sandy Recovery Improvement Act (SRIA) of 2013. In many ways, the passage of SRIA represents the most significant legislative change to the Federal Emergency Management Agency's (FEMA) substantive authorities since the enactment of the Robert T. Stafford Disaster Relief and Emergency Assistance Act.

The Disaster Relief Appropriations Act, 2013 (P.L. 113-2), which contained SRIA, requires the expenditure of obligated grant funds within 24 months or funds be returned to the agency. On July 9, 2013, the Office of Management and Budget (OMB) announced provisions that allow FEMA to waive the 2 year expenditure requirement for Public Assistance (PA) infrastructure repair or replacement grants of \$1 million or more for Categories C through G (roads and bridges, water control facilities, public buildings, public utilities, and recreation and other); and Hazard Mitigation (HM) grants of \$1 million or more for large drainage projects, safe rooms, and mitigation projects for critical facilities (e.g., hospitals, water treatment plants, wastewater treatment plants).

Therefore, any PA infrastructure repair or replacement grant or HM grant funded from the Disaster Relief Appropriations Act that does not meet the above waiver criteria (e.g., all PA Category A or B (Debris and Emergency Protective Measures), PA/HM grants *below* an amount of \$1 million, or HM grants for purposes other than defined above) must be expended fully within two years of the obligation.

Sandy PA and HM grants, except for those that meet the OMB waiver criteria, must include template language in the appropriate grant agreements indicating the 2-year expenditure requirement. PA and HM personnel will work with State, local and tribal counterparts to insert such language into appropriate grant agreements, as needed.

FEMA will be issuing guidance to implement the grant expenditure provision, in accordance with the OMB waiver. FEMA will continue to use a Strategic Funds Management approach with grantees to ensure funds are made available and obligated based on defined projects that the grantee is capable of executing.

STATUS: FEMA is drafting guidance to implement the grant expenditure provision in accordance with the OMB waiver. Once the guidance is finalized, FEMA will notify state, local and tribal stakeholders of the implementation provisions.

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