INTRODUCTION

1. **Funding.** Once a disaster is declared by the President, resources must be transferred from FEMA to ETA to provide funding to the affected state. Funding for each disaster is provided separately for administrative costs and benefits. In turn, states are also required to report the cost of each disaster separately by administrative cost and benefits. The funding period for disasters covers a 26-week period after declaration. Immediately after all payment activity has been concluded for a particular disaster, which may be less than 26 weeks after declaration, it should be closed out and unexpended remaining funds returned to FEMA, via ETA. Timely closeout of disasters is important. Since disaster funds do not lapse at year-end, any balances returned to FEMA can be reobligated in subsequent years for other disaster projects.

ESTIMATING COSTS — FUNDS REQUEST

2. **Requesting Funds.** The "initial advance of funds" from FEMA to support administration and payment of DUA for a major disaster is based on funding estimates provided by the state. State funding requests should include the full cost of all DUA activities and identify the amount requested by cost/expense category. (See outline of Cost/Expense Categories below.) In estimating these costs, states should multiply the average weekly benefit amount by the average projected duration times the projected number of claimants that will file for DUA during the filing period. States cannot use Federal grants to cover any administrative cost appropriately chargeable to DUA. In determining whether an administrative cost is appropriately chargeable to DUA, the cost principles of OMB Circular A-87, "Cost Principles for State and Local Governments", apply. In addition, the government wide "common rule" titled "Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments" (adopted by FEMA at 44 CFR Part 13 and the Department of Labor at 29 CFR Part 97) applies in general. Reasonable justification must accompany any request for funding. Such justification should include as appropriate: (1) key assumptions leading to the cost estimates; and (2) explanation of unusually high estimates for any individual cost/expense category.
Cost/Expense Categories

Estimated No. of Staff

Personal Services (PS) - staff time charges: $

Personnel Benefits (PB) $_____

TOTAL (PS/PB) $_____

Non-Personal Services (NPS) - provide detail as appropriate

Supplies

Travel

Communications

Equipment

Services

Premises

TOTAL NPS $

AS&T (PS/PB/NPS) $

TOTAL ADMINISTRATIVE COSTS $

Benefits $

TOTAL DUA FUNDS REQUESTED $

NOTE: The use of cost/expense categories is recommended for supporting/explaining the administrative cost portion of the overall DUA request. While separate SF 269s (Financial Status Reports) are required for administrative and benefit expenditures, no further cost/expense category detail is required.

The ETA Regional DUA Coordinator will review this request with the FEMA Regional Representative and make a formal recommendation to FEMA. The FEMA Regional Representative, in turn, will review the request and ETA’s recommendation and forward the request to FEMA’s National Office in Washington, DC. (Requests for additional funds for a disaster, if needed, should follow these same procedures.) The Regional DUA Coordinator
should ensure that the state agency has not requested funds for staff to participate in any Disaster Recovery Centers (DRCs) established by FEMA only because the Governor of the State wants such. DRCs are no longer automatically established by FEMA as a Federal requirement; hence, DUA funds for states’ administrative costs to staff DRCs are no longer authorized as a general rule. However, there may be special circumstances where DRCs are established where it would be advantageous for state agency DUA staff to co-locate with FEMA in a DRC. In such circumstances, the FEMA Federal Coordinating Officer for the disaster could authorize FEMA to provide funding to the Department for allocation to the state agency for administrative costs. An example of a special circumstance is where there is a total disruption in an area due to the disaster (i.e., limited access permitted or allowed, and/or buildings, including State agency buildings, damaged or destroyed).

Upon approval, FEMA transfers resources to ETA to fund the administrative costs and benefits related to the disaster. Funding for benefits is transferred to the regions on the Federal Unemployment Benefits and Allowances (FUBA) Appropriation Agency Allocation, and administrative cost funding is transferred on the State Unemployment Insurance and Employment Service Operations (SUIESO) Agency Allocation. Funding is then provided to the states through the issuance of obligational authority.

**REPORTING**

3. **Accounting/Fiscal Reporting**

   a. **SF-269 (Financial Status Report).** States must account for each disaster separately by administrative costs and benefits. States will use the SF-269 to report these costs through the appropriate fiscal offices. (For additional information and/or instructions, see OMB Circular A-102, "Grants and Cooperative Agreements with State and Local Governments", as prescribed for use by the Office of Management and Budget.) The SF-269, for each disaster, will be submitted quarterly until the disaster is closed out. (See Chapter X of this Handbook).

   b. **ETA 2112 (UI Financial Transaction Summary).** If a state utilizes its benefit payment account or clearing account for processing DUA transactions (benefits), the ETA 2112 must reflect such transactions. (See Chapter X of this Handbook.) This instruction is not applicable to the South Pacific Island jurisdictions, as they have no state UI systems or accounts.

   c. States will ensure that they are utilizing the appropriate disaster project code when agency staff are working on disaster related activities.

   d. Funds for the DUA program are no-year funds which means that DUA resources may carry over from one fiscal year to the next.

   e. Transfer of funds between the disaster account (benefits/administrative) may be
CLOSEOUT

4. Closeout Process. Once payment activity has ceased or the end of the disaster assistance period, it is important to close out the disaster as soon as possible. This is necessary because disaster funds are no-year funds and any unused state funds will be reobligated by FEMA for future disasters. Therefore, the following procedures will be used in closing out disasters:

a. The state agency, within 60 days following the end of all payment activity (which may occur prior to the end of the disaster period), will prepare the final report on the disaster required by 20 CFR 625.19(b) and forward it to the National Office (Attn: OWS/DUO), via the appropriate Regional office.

A copy of this report should be provided to the Regional office to trigger the deobligation of excess funds specified below.

b. Within five days of receipt of the final report, the Region is to deobligate all excess funds. The State may retain sufficient funds to pay claims under appeal. However, the State must justify all such retention of funds to the Regional DUA Coordinator.

c. A final financial closeout and final deobligation of funds will occur no later than ninety days after the end of payment activity or the disaster assistance period, whichever occurs first. The Region should notify the National Office (Attn: OFAM/OC) of the final expenditures for the disaster and the National Office will reduce the Regions’ Agency Allocation.

(1) It is understood that some activity may continue for a number of months subsequent to the closeout, especially in the collection of overpayments. Such overpayments must also be returned to FEMA via ETA (per regulations at 20 CFR 625.14). If the agency has closed out its accounting fund, the agency is to send a check to the ETA Regional Administrator for deposit into the FUBA account. Checks should be submitted monthly and made payable to the U.S. Department of Labor. The state should include a brief cover letter to the Regional Administrator explaining the purpose of the check. Checks should be mailed to Mr. Jack Rapport, Administrator, U.S. Department of Labor, Office of Financial and Administrative – Employment and Training Administration, 200 Constitution Ave., NW, Room N-4653, Washington, D.C. 20210.

(2) States should make the necessary accounting entries on the monthly ETA 21l2 Report (UI Financial Transaction Summary) if the state utilized its benefit payment account or clearing account for DUA transactions.
The DUA recoveries will be shown by the agency as a deposit on lines 24/25 with an explanation of the entries under the "Comments" portion of the report. The DUA benefit disbursements should be shown as a disbursement on line 45, along with appropriate comments. *(See ETA Reports Handbook No. 401, Section II-1-1, for instructions on preparing Form ETA 2112.)*

5. **Financial Monitoring.** Regions should monitor each DUA project to ensure that excess funds are not being maintained by the State and that proper administrative costs are being charged to the disaster. In cases where it appears or it is determined that administrative costs will be in excess of 15 percent of DUA benefit costs for the disaster, the Regional DUA Coordinator should be immediately advised of the reasons thereof. The coordinator will need this information to communicate with FEMA and ETA National Office if any issues should arise.

**AGENT STATE**

6. **Agent State Reimbursement -- Interstate Claims.** Agent state DUA workload will be reimbursed by the ETA in the following manner:

   a. The agent State claims activity will be reported to the appropriate ETA Regional Office (RO) when DUA interstate claimstaking activity ceases on the applicable disaster. This report will identify the disaster number and the liable states (states where the disaster occurred). **The agent state must also provide**, as part of the report, **a listing of the names and Social Security Numbers of the claimants filing DUA claims against the liable states** for which reimbursement is being sought. It will be the agent state’s responsibility to coordinate the preparation of its fiscal close-out report with the liable states and to inform its RO of its agent state DUA claims activity.

   b. The RO of the agent state will forward two copies of the agent state’s final workload activity report: one copy to the National Office, Office of Workforce Security (Attn: DUO); and the other copy to the RO having oversight over the liable state. This report will be utilized by the liable state RO for DUA workload reconciliation purposes. The RO of the liable state will include or ensure inclusion of the workload report from the agent state(s) in the final fiscal closeout report for the applicable disaster and forward this final fiscal report to the ETA National Office (Attn: OFAM).

   c. Upon approval of the agent state’s final workload activity report by the National Office, the ETA will reimburse the agent state (via the agent state’s RO) for its costs in taking DUA claims.