Chapter 11: Project Monitoring and Amendments

Post award project monitoring includes managing projects, ensuring subrecipients use funds in alignment with the approved scope of work (SOW), adhering to set deadlines, and meeting compliance requirements. Recipients are responsible for assessing the risk of non-compliance for each subrecipient and, if necessary, imposing additional conditions or requirements. Monitoring subrecipients is essential to ensure compliance with federal regulations and the achievement of performance goals, which includes reviewing financial and progress reports.

PA staff support recipients and track the overall progress of disaster operations. PA staff also manage requests for changes in scope, time extensions, project closeouts, appeals, audits, and arbitration. The "Public Assistance Program Delivery Guide"[451] provides an overview of these process steps.

I. Post Award Change in Scope of Work

Subrecipients must ensure PA funding is used exclusively for eligible work specified in the approved project. If a change to the SOW becomes necessary, subrecipients should promptly consult with both the recipient and FEMA to allow sufficient time for FEMA to review the proposed changes for eligibility.

To request a change, subrecipients must submit a written request to the recipient, including both a detailed justification why the change is necessary and supporting documentation for FEMA to substantiate the eligibility of the proposed revision.[452] Subrecipients should include the information outlined in Table 31. Required Documentation and Information to Support Scope of Work Changes to facilitate FEMA's evaluation. If the request involves previously unreported damage, subrecipients must also provide documentation linking the work to the disaster. The recipient then forwards the request and its recommendation to FEMA for review.

Commonly eligible reasons for SOW changes include:

- Alternate repair method is more cost-effective than the original proposed repair method;
- Original repair method is no longer technically feasible;
- Upgrades needed per codes and standards;[453]
- Increase in previously approved quantities due to errors or omissions;
- Discovery of hidden incident-related damage during construction; or
- The subrecipient wishes to pursue an improved or alternate project.

[451] For more information, refer to: *Public Assistance Program Delivery Guide*.
[452] 44 C.F.R. § 206.204(e); 2 C.F.R. § 200.308.
[453] For more information, refer to Codes and Standards in Chapter 8.

Table 31. Required Documentation and Information to Support Scope of Work Changes

Required Documentation and Information to Support Scope of Work Changes for Small and Large Projects

▪ Detailed change(s) to scope of work;
▪ Cost estimate;
▪ Reason for changes:
  ○ Cost estimate if more cost-effective repair method;
  ○ If the original scope of work is not feasible, supporting documentation such as technical reports or surveys;
  ○ If hidden damage (must be found during performance of eligible work):
  – Documentation substantiating the damage is related to the declared incident; and,
  – Photographs documenting damage.
▪ Construction timeline/project schedule:
  ○ Time extension if scope of work change will result in a project delay causing work to be conducted outside the approved period of performance.

II. Work Completion Deadlines

FEMA provides PA funding only for work completed and costs incurred[454] within specified regulatory deadlines (see Figure 21. Work Completion Deadlines). For emergency work, the deadline is six months from the disaster declaration date.[455] For most permanent work, the deadline is 18 months, except for category I projects, which have a 180-day limit. FEMA considers these timelines as the approved period of performance (POP) for a project, defining work completion as fulfilling all tasks in the approved SOW and meeting compliance requirements. This does not include payments for invoices, warranty periods, or grant management activities, such as submitting closeout documentation, reconciling finances, or requesting payment. If additional time is needed, subrecipients must submit a written request to the recipient for a time extension, with the following information:

Deadlines for Completion of Work	
Type of Work	**Timeframe**
Emergency Work	6 Months
Permanent Work	
Categories C-G	18 Months
Category I	180 Days

Figure 21. Work Completion Deadlines

- Dates and justification for all previous time extensions;[456] and,
- A detailed justification for the delay.[457]

[454] 2 C.F.R. § 200.309; 44 C.F.R. § 206.204(d)(2).
[455] 44 C.F.R. § 206.204(c)(1).
[456] Ibid.
[457] 44 C.F.R. § 206.204(c)(1).

Recipients have authority to grant time extensions due to extenuating circumstances. Recipients may extend emergency work up to an additional six months and permanent work up to 30 months on a project-by-project basis, with the exception of temporary relocation and category I projects. Any extensions beyond these limits require FEMA approval, and recipients must notify FEMA of approved extensions either through the Grants Portal system or official correspondence. FEMA has authority to grant further extensions if justified by extenuating circumstances,[458] which generally include delays caused by permitting or Environmental and Historic Preservation (EHP) requirements, atypical limitations like narrow construction windows, adverse weather preventing site access, or shortages of materials, equipment, or contractors. However, FEMA does not consider circumstances such as delayed permit requests, lack of funding, administrative changes, or cost documentation compilation as valid reasons for time extensions.

A. Project Schedule

Creating and following a well-structured project schedule is critical for managing projects effectively and ensuring that work is completed within the period of performance or for identifying when a time extension is necessary. Scheduling serves as the backbone of project management, particularly in construction, by systematically planning, organizing, and controlling the allocation of resources, tasks, and activities. An effective schedule improves time management by defining and sequencing work tasks, ensures that resources such as time, budget, and staffing are appropriately allocated, and supports risk management by identifying potential roadblocks and delays early on. It also enables monitoring of project progress, making budgeting more predictable and manageable. Without a clear schedule, projects are more vulnerable to delays and cost overruns.

III. Large Project Quarterly Progress Reports

Funding for PA large projects is based on estimated costs, contracted costs, or a combination of both for an approved scope of work, with grant funds obligated accordingly. Since actual costs become clear only upon project completion, they often vary from initial estimates. To ensure responsible management of public funds, regular reviews, and timely identification of any changes in project costs are essential.

The large project Quarterly Progress Report (QPR) is a tool for tracking project expenditures relative to completion percentage, comparing completed work costs against obligated funding, monitoring the drawdown of funds by recipients, and assessing whether a project is underfunded or overfunded. The QPR also includes the status of projects pending final federal payment and highlights any issues that could lead to noncompliance with grant conditions. Quarterly reporting is not required for small projects.

FEMA requires recipients to report on the status of all open large projects each quarter.[459] Subrecipients and recipients must meet specific reporting requirements outlined in Table 33. Required Documentation and Information for Quarterly Progress Reports. Recipients must submit QPRs to FEMA within 30 days of each

[458] 44 C.F.R. § 206.204(d).
[459] 44 Code of Federal Regulations (C.F.R.) § 206.204(f).

fiscal quarter's end. The Regional Administrator and recipient negotiate the date for submission of the first report.[460]

Table 32. Deadlines for Submitting Quarterly Progress Reports

Quarter	Dates	Report Due Date
1	October 1 – December 31	January 30
2	January 1 – March 31	April 30
3	April 1 – June 30	July 30
4	July 1 – September 30	October 30

Table 33. Required Documentation and Information for Quarterly Progress Reports

Responsible Point of Contact	Project Type	Required Documentation
Subrecipient	Large Projects with an Incomplete Scope of Work (Work is Still In-Progress)	▪ A brief description of known problems or circumstances that are expected to cause a deviation from the approved scope of work, cost, delay project completion or delay project closeout; ▪ Status of the project (either construction phase or percent complete); ▪ Whether the work is complete (per definition under Work Completion Deadlines in this chapter); ▪ Project period of performance end date; ▪ Projected completion date per definition under Work Completion Deadlines in this chapter); and, ▪ Status of time extension, if applicable.
Subrecipient	Large Projects with Complete Scope of Work (Work is Completed)	▪ Date work was completed; and, ▪ Entity responsible for the action in the closeout process (FEMA, recipient, subrecipient).
Recipient	Large Projects with Complete Scope of Work (Work is Completed)	▪ Total amount disbursed to the subrecipient; ▪ Whether final payment was made; ▪ Whether time extensions were approved; and, ▪ Latest approved work completion deadline.

[460] 44 C.F.R. § 206.204 Project performance.

IV. Financial Status Reports

Recipients submit the *Federal Financial Report* (SF-425) quarterly to the respective FEMA Regional Office.[461] The reports provide the status of funds for the prime award, the recipient's expenditure drawdowns, and whether the recipient is meeting its cost-share requirements.

V. Federal Funding Accountability and Transparency Act

The Federal Funding Accountability and Transparency Act (FFATA) requires that FEMA manage and administer awards in a manner so as to ensure that federal funding is expended and associated programs are implemented in full accordance with the U.S. Constitution, federal law, and public policy requirements. These requirements include, but are not limited to those protecting free speech, religious liberty, public welfare, the environment, and prohibiting discrimination. FEMA must communicate to recipients all relevant public policy requirements, including those in general appropriations provisions, and incorporate them either directly or by reference in the terms and conditions of the award.[462]

Recipients are responsible for complying with all requirements of the award. For all federal awards, this includes the provisions of FFATA, which includes requirements on executive compensation, and also requirements implementing the Act for the non-federal entity at 2 C.F.R. Parts 25 and 170.[463]

FFATA requires recipients to register in the FFATA Subaward Reporting System[464] and report on all awards and subawards equal to or greater than $30,000.

VI. Audits

Recipients and subrecipients are subject to federal and non-federal audits. Records are subject to audit by state or territorial government auditors, FEMA, the U.S. Department of Homeland Security Office of Inspector General (OIG), and the U.S. Government Accountability Office (GAO) or any of their authorized representatives.[465] FEMA may adjust project funding due to audit findings.

A. Single Audits

A recipient or subrecipient that expends $1 million or more in federal funds during its fiscal year must perform a single or program-specific audit.[466]

B. Government Accountability Office

The Government Accountability Office (GAO) is the investigatory arm of Congress and is under the direction of the Comptroller General of the United States. GAO is an independent, nonpartisan agency that investigates how the federal government spends taxpayer dollars. Its mission is to help improve the

[461] 2 C.F.R. § 200.328.
[462] 2 C.F.R. § 200.300(a).
[463] 2 C.F.R. § 200.300(b).
[464] For more information, refer to: Federal Funding Accountability and Transparency Act Subaward Reporting System | fsrs.gov.
[465] 2 C.F.R. § 200.337.
[466] 2 C.F.R. § 200.501.

performance and accountability of the federal government. Although the GAO usually audits FEMA programs, it has authority to audit any project.

C. Office of the Inspector General

The Department of Homeland Security's Office of Inspector General (OIG) conducts independent audits and investigations on FEMA programs, operations, activities, and functions; how recipients and subrecipients expend federal funds; and oversight of non-federal audits such as single audits. The OIG evaluates activities to identify, deter, and address fraud, waste, and abuse. The OIG has authority to audit any project.

1. REPORT FRAUD

FEMA award recipients and subrecipients play a critical role in helping to identify fraud and are highly encouraged to report suspicious activities at any time during the procurement process by contacting the FEMA Fraud and Investigation Division,[467] the DHS OIG Hotline,[468] FEMA Suspension and Debarment [469].and the U.S. Department Justice National Center for Disaster Fraud.[470]

D. FEMA Office of Civil Rights

FEMA's Office of Civil Rights (OCR) has the authority to conduct investigations and compliance reviews based on discrimination. OCR has the authority to request and review documentation related to programs receiving FEMA financial assistance and FEMA programs and has monitoring and oversight requirements in connection with recipient compliance with federal civil rights laws. OCR conducts investigations on complaints received from the public alleging civil rights violations from FEMA, FEMA programs, and recipients of FEMA financial assistance.[471] OCR may conduct a full investigation and render a decision on the complaint, or they may refer the complaint to another agency. OCR conducts compliance reviews of FEMA programs and recipients of FEMA financial assistance to ensure compliance with civil rights before, during, and after disasters. Prior to conducting a compliance review, OCR seeks to provide technical assistance related to civil rights, as its mission is to fully integrate civil rights into all aspects of FEMA's culture and work.

E. Recovery of Improper Payments

FEMA conducts audit assessments on drawdowns to recover payments identified as improper in accordance with the Payment Integrity Information Act.[472] In 2019, FEMA implemented the Validate as You Go (VAYGo) review process for several major disaster declarations in an effort to comply with improper payment reporting requirements and to reduce project closeout documentation requirements for recipients with proven effective internal control processes. In December 2020, FEMA expanded VAYGo to all PA and Fire Management Assistance Grant (FMAG) disasters. The goal of VAYGo is to improve internal control processes

[467] The FEMA Fraud and Investigation Division can be reached at: FEMA-OCSO-Tipline@fema.dhs.gov or 1-866-223-0814.
[468] The DHS OIG Hotline can be reached at: DHS OIG Hotline Complaint Form or 1-800-323-8603.
[469] FEMA Suspension and Debarment can be reached at: femas&d@fema.dhs.gov.
[470] The U.S. Department Justice National Center for Disaster Fraud can be reached at: National Center for Disaster Fraud or 1-866-223-0814.
[471] Information on filing a complaint with the Office of Civil Rights can be found at: Filing a Complaint | fema.gov.
[472] For more information, refer to: Payment Integrity Information Act of 2019 | congress.gov.

by consistently assessing payment error rates to identify potential payment integrity issues. FEMA's "Validate as You Go (VAYGo) Guide"[473] provides guidance on the implementation and delivery of the FEMA VAYGo grant payment review process.

[473] For more information, refer to: Validate As You Go Guide | fema.gov.