

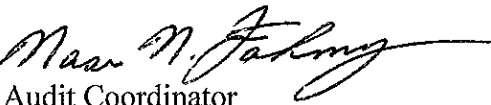


Homeland Security

AUG -6 2013

MEMORANDUM FOR: Distribution

FROM:

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National Single Audit Coordinator
U.S. Department of Homeland Security (DHS)

SUBJECT: Audit of Eligible Stafford Act Claimed Costs

This memo responds to a question presented during the Single Audit Roundtable on Wednesday, May 1, 2013, regarding the timing of the recording of eligible Stafford Act recipient incurred costs related to Hurricane Sandy that are reimbursable under the Stafford Act on a recipient's Schedule of Expenditures of Federal Awards (SEFA). Specifically, the question related to when expenditures incurred by an entity should be recorded on the entity's SEFA. That is, would the expenditures be recorded on the SEFA in the fiscal year incurred or on the subsequent fiscal year's SEFA when the DHS / Federal Emergency Management Agency (FEMA) actually approves the Award Worksheet to such recipient?

According to the FEMA Office of Chief Counsel, the recording of expenditures on the SEFA relating to these Stafford Act funds should be based on when the funds are approved (i.e., approval of the Award Worksheet) since that is when FEMA actually obligated funds to such recipient. For example, eligible and/or claimed Stafford Act costs incurred in fiscal 2012, but approved on an Award Worksheet in fiscal 2013 should be included on the recipient's fiscal 2013 SEFA.

In addition, when costs are incurred in a fiscal year prior to the fiscal year in which the Award Worksheet is approved and included on the SEFA in a subsequent fiscal year, a footnote should accompany the SEFA that discloses the amount included on the SEFA that was incurred in a prior year.

DHS will also revise the 2014 Office of Management and Budget (OMB) *Compliance Supplement* relative to Disaster Grants – Public Assistance for Presidentially Declared Disaster (i.e., Catalog of Federal Domestic Assistance 97.036), to be consistent with this guidance.

If you would like any additional information relative to this memorandum or its contents, please feel free to contact me via email at Nasr.Fahmy@hq.dhs.gov or via phone at (202) 447-5146.