



FUNCTIONAL ANNEX N  
RECOVERY PROCEDURES

---

Primary Agency: Disaster Recovery Office (DRO)  
Support Organization: Federal Emergency Management Agency (FEMA)

*I. Introduction*

A. Purpose

Functional Annex N — The recovery procedures annex describes the means to facilitate federal assistance, manage the response and restoration of services normally provided by the Government of Guam.

B. Scope

The Procedures and Actions provided by Functional Annex N include, but are not limited to:

1. Hold accountable all actions taken by the Government following the disaster.

*II. Policies*

A. All issues of policy, coordination of operations, direction and control, and preparation of response activities rest with the coordination among the Public Assistance Officer (PAO) and the Governor's Authorized Representative (GAR). All Agency and Department Recovery Project Managers will coordinate recovery activities within the structure and organization established by the Recovery Coordination Office (RCO) to identify, process and implement all project worksheets.

B. Executive Order No. \_\_\_\_\_, 1997 Establishing Recovery Coordination Office.

*III. Concept of Operations*

A. General

During the response phase the State Coordinating Officer (SCO) will be the primary individual responsible for the coordination of response and recovery operations with the Federal Coordinating Officer (FCO).

At that time when the Emergency Operations Center (EOC) has been

















Government of Guam will forward the request to FEMA for review and final determination. Prior to forwarding to FEMA, Government of Guam will review the request for eligibility and will ensure that the request contains the following information:

- 1) The reason for requesting an alternate project
- 2) A description of the proposed work
- 3) A schedule of work
- 4) A cost estimate
- 5) Necessary assurances to document compliance with special requirements, including, but not limited to, floodplain management, environmental assessment, historic preservation, hazard mitigation, protection of wetlands, endangered species and insurance

Requests for alternate projects should be submitted to FEMA and approval obtained prior to starting the proposed work. If the request is approved by FEMA, funding of an alternate project will be 75% of the Federal share of the approved *Project Worksheet* estimate.

7. Time Limitations – Government of Guam will ensure that approved work is completed within the following time frames from the date a major disaster or emergency is declared:

Emergency Work = 6 months  
Permanent Work = 18 months

8. Time Extensions – An applicant may request a time extension on any approved *Project Worksheet* by submitting a written request to Government of Guam. The request must include:

- 1) the dates and provisions of all previous time extensions for the project,
- 2) a detailed justification for the delay,
- 3) a projected date for completion.

Such a request shall be submitted in writing prior to the completion date currently in effect. Government of Guam may grant a time extension if the reason for delay is based on extenuating circumstances or unusual project requirements, beyond the applicant's control so long as the additional time requested does not exceed the following time frames:

Emergency Work = 6 months  
Permanent Work = 30 months

Government of Guam will notify FEMA of all times extensions that have been approved. Government of Guam will provide FEMA with copies of the applicant's documentation supporting the time extension. Requests

for time extensions beyond Government of Guam authority will be forwarded to FEMA in writing for determination with the State's recommendation in accordance with the requirements of 44 CFR, Section 206.204 (d). Work performed after the last approved completion deadline is subject to having funding reduced or withdrawn.

#### 9. Project Completion

- a. Upon completion of a large project, the applicant will be required to submit a project cost summary to Government of Guam that lists all labor, equipment and materials and construct costs associated with making needed repairs. Gov Guam will conduct a review of the project's documentation to verify the actual project cost. If a large project was 100 percent complete at the time the Project Worksheet was prepared, the eligible cost was based on actual cost information and the applicant is not claiming additional funding, no further review by Government of Guam will be necessary.
- b. Upon completion of all approved work, the applicant will be required to submit the Project Completion and Certification Report (P-4) to Government of Guam certifying that all work has been completed in accordance with funding approvals and that all claims have been paid in full.
- c. If an approved project is not completed, the applicant will be required to return the federal funding that was provided for that project in accordance with paragraph VI, C, 1, (c).

#### 10. Cost Overruns

**Small Projects:** The applicant may submit an appeal for a cost overrun within 60 days of completion of the last small project. Government of Guam will verify all cost overruns and under-runs of small projects submitted by the applicant by conducting a review of all approved Project Worksheets. Government of Guam will base its recommendation for additional funding on the documented costs obtained during the review and will forward a report to FEMA for final determination. The final eligible costs will be based on the sum of all net under-runs and over-runs of all small projects.

**Large Projects:** The applicant will submit a written completion and certification report as their large projects are completed. A Project completion and Certification Report (P-4) must be submitted to Government of Guam within 90 days of completion of the applicant's last large project. Large Project cost overruns will be based on actual eligible costs as documented by the applicant.

The applicant will notify Government of Guam in writing of substantial

cost increases at the time the increase is identified. Government of Guam will forward the applicant's request and recommendation to FEMA for an eligibility determination.

11. Disputes/Conflict Resolution – In order to expedite funding and minimize applicant appeals, the following conflict resolution process should be followed:
  - a. The applicant will submit to the State PAC a request for reconsideration. The applicant should attach a statement defining the issue to be considered and supporting documentation.
  - b. The State PAO and the FEMA PAO will convene a review with the State PAC, the FEMA PAC (and any required specialists) required to consider issue.
  - c. The State PAO will provide the applicant with a written determination.
  - d. In the event the applicant is not satisfied with the determination, the applicant may submit an appeal.
  
12. Appeals – Upon receipt of an appeal from the applicant, Government of Guam will review the material submitted, make such additional investigations as necessary, and will forward the appeal with a written recommendation to FEMA within 60 days. An appeal must be submitted by the applicant within the following time frames:
  - a. Any FEMA determination – 60 days from the date of written notice of the determination being appealed.
  - b. Any State determination on Time Extensions – 60 days from the date of written notice of the determination being appealed.
  - c. Small Projects Cost overrun – 60 days from the date the last project was completed.
  - d. Second Appeal – 60 days from the date of written notice of the determination made on the first appeal.
  
13. Final Inspection – A final inspection and/or audit will be conducted by Government of Guam and/or FEMA, on all large projects once the projects have been completed and the project Certification and Completion Report (P-4) has been submitted (unless the PW was 100% complete at the time it was prepared in accordance with paragraph C,7,a) in order to certify the FEMA that the reported costs were incurred in the performance of eligible work. For those projects of a technical nature, a qualified member of the applicable State agency to which the project pertains will conduct a final inspection. The final inspection should be completed as soon as practical following the receipt of the project cost summary from the applicant.
  
14. Audit Requirement – Audit requirements will be accordance with 44 CRF, Part 14 or OMB Circular A-133, as appropriate.

- a. A review of all large projects (and all small projects with significant cost overruns) will be conducted by Government of Guam and/or FEMA once those projects are completed. Applicants expending \$300,000 or more in total Federal financial assistance in a fiscal year will be required to have an audit made in accordance with the Single Audit Act Amendments of 1996 – OMB A133.
- b. Applicants will be required to provide their assigned State agency a copy of the Single Audit.

#### D. Records and Reports

1. Progress Reports – Government of Guam will submit a quarterly progress report to FEMA, which will contain the status of all large projects, which have not received final payment. The National Emergency Management Information System (NEMIS) will be utilized for conveying quarterly information. The first quarterly report will be submitted three months from the date the DFO opened or on a quarterly schedule mutually agreed upon between FEMA and the State.
2. Closeout – Each applicant will be closed-out once it is determined that all work has been completed, all necessary documents have been received, any appeal for small project overruns has been reconciled, the costs for each individual large project have been reconciled, all project payments have been made, and no further action is pending or anticipated (including litigation or lawsuits). Government of Guam will notify FEMA when all eligible funds have been paid to an applicant and request Applicant closeout. When all applicants have been closed-out and all eligible Grantee funding has been reconciled, Government of Guam will request of FEMA that the Public Assistance Program for that disaster be closed.

The closeout of a grant does not affect:

- a. The federal agency's right to disallow costs and recover funds on the basis of a later audit or other review;
  - b. The grantee's obligation to return any funds due as a result of later refunds, corrections, or other transactions;
  - c. Records retention as required by 44 CFR, section 13.26;
  - d. Property management requirements in 44 CFR, section 13.31 and 13.32; and
  - e. Audit requirements in 44 CFR, section 13.26.
3. Financial Status Report (SSF 269/SF 269A or FEMA 20-10) – The grantee shall submit the financial reports to the FEMA regional office 30 days after the end of the first federal quarter following the initial grant award. Financial Reports will be submitted to FEMA at least quarterly thereafter for State administered disaster assistance programs

authorized by the Stafford Act. Reports are due January 30, April 30, July 30 and October 30.

4. Project Documentation (Record Retention) – The applicant will be required to keep complete records of all work (i.e. receipts, checks, job orders, contracts, equipment usage documentation and payroll information) funded under the Public Assistance Program for three years from the date that its project application is closed. During this three-year period, all approved *Project Worksheets* are subject to State and Federal audit/review.

#### *VII. Development and Maintenance*

This plan will be reviewed and updated annually. Amendments will be made to meet current policy guidelines, as required for all future Federally Declared Disasters. Revisions will be forwarded to the Regional Director of the Federal Emergency Management Agency.

The Government of Guam reserves the right to modify and/or amend the current Administrative Plan based on the FEMA Public Assistance Organization Plan so as to mirror staffing levels and restoration program goals and operations.