

The Virgin Islands Consortium

Federal Government Approves \$75 Million Direct Administrative Cost Grant For VITEMA

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The Federal Emergency Management has approved a direct administrative cost (D.A.C.) grant for the Virgin Islands Territorial Emergency Management Agency, Delegate to Congress Stacey Plaskett has announced.

D.A.C. awards are authorized under Stafford Act Section 428(e)(1), Public Assistance Program Alternative Procedures. D.A.C.'s aim, among other objectives, is to simplify and reduce the administrative burden on FEMA, recipients, and sub-recipients as it relates to tracking and requesting reimbursement for administrative tasks associated with permanent work jobs. This is achieved by consolidating D.A.C. funding into a single category to reimburse D.A.C. for all of a sub-recipient's eligible public assistance

projects; allowing sub-recipients to track direct administrative tasks and related costs for all of its public assistance projects rather than on a project-by-project basis; and making D.A.C. available for sub-recipients to use for any eligible public assistance project once the D.A.C. permanent work is obligated.

"This important grant will benefit the Virgin Islands tremendously with our ongoing rebuilding efforts making the Virgin Islands whole again after experiencing two devastating hurricanes," Ms. Plaskett said. "The United States government and the international community has an obligation to work with the affected local governments to restore infrastructure, provide critical humanitarian assistance, and help recover and build back our islands."

According to a FEMA public assistance procedures document, the D.A.C. permanent work amount is locked-in at 5 percent of the total eligible project costs based on permanent works that have been signed and submitted to FEMA within two years of the declaration date (with exception of D.A.C. costs for permanent work pilot projects). When a fixed estimate is developed under the permanent work pilot, FEMA will calculate and lock-in the related D.A.C. amount based on the agreed-upon permanent work fixed-estimate amount once the agreed-upon amount is determined irrespective of when it is determined.