



COVID-19: Private Nonprofits & the Public Assistance Program

March 24, 2020

Overview

The Robert T. Stafford Disaster Relief and Emergency Assistance Act, as Amended (Stafford Act), Title 42 of the United States Code (U.S.C.) §5121 et seq., authorizes the President to provide Federal assistance when the magnitude of an incident or threatened incident exceeds the affected State, Territorial, Indian Tribal, and local government capabilities to respond or recover.

On March 13, 2020, the President declared the ongoing Coronavirus Disease 2019 (COVID-19) pandemic of sufficient severity and magnitude to warrant an emergency declaration for all states, tribes, territories, and the District of Columbia, pursuant to the Stafford Act.

Under this declaration, State, Territorial, Tribal, local government entities and certain private non-profit (PNP) organizations are eligible to apply for Public Assistance.

Public Assistance

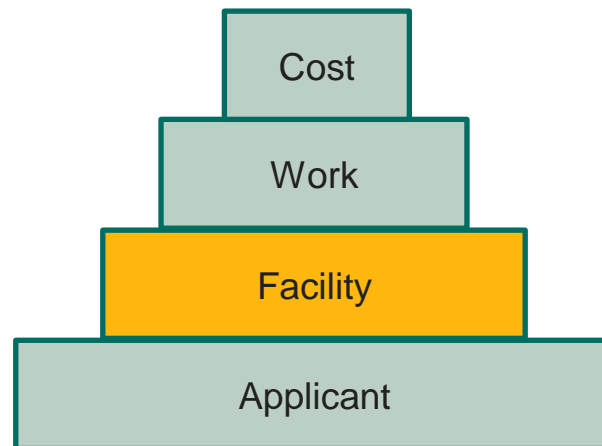
- The Public Assistance Program is a reimbursement program. Assistance will be provided for up to 75 percent of eligible costs approved by FEMA.
- Eligible emergency protective measures taken to respond to the COVID-19 emergency may be reimbursed. The remainder of these slides review eligibility requirements in details.
- The program will not duplicate assistance provided by the Department of Health and Human Services (HHS), including the Centers for Disease Control and Prevention, or other federal agencies, even for necessary emergency protective activities taken in response to the COVID-19 incident.
- Costs must be documented, and clearly and directly tied to emergency response activities. If other federal sources of funds are available for these purposes, those funds must be spent first.

Private Nonprofit Eligibility

- The four basic components of eligibility are shown to the right.
- For private nonprofits (PNPs), FEMA must determine whether the PNP owns or operates an eligible facility in order to determine whether the Applicant is eligible.

In addition to owning or operating and eligible facility, PNPs must have one of the following to be eligible:

- A current ruling letter from the U.S. Internal Revenue Service granting tax exemption under Figure 6. PNP Eligibility sections 501(c), (d), or (e), or
- Documentation from the State substantiating it is a non-revenue producing, nonprofit entity organized or doing business under State law



Eligible Facilities

- A facility that provides a critical service, which is defined as education, utility, emergency, or medical
 - See table 1 on page number 12 of the [Public Assistance Program and Policy Guide V3.1](#)
- A facility that provides a non-critical, but essential social service AND provides those services to the general public
 - See table 2 on page number 13 of the [Public Assistance Program and Policy Guide V3.1](#)
- Certain types of facilities, such as senior centers, that restrict access in a manner clearly related to the nature of the facility, are still considered to provide essential social services to the general public.
- For a facility that provide eligible and ineligible services, eligibility is based on the primary use, determined by the amount of physical space dedicated to eligible services. See pages 16-18.

Required documentation to prove facility eligibility is listed in table 5 on page 131 of the [Policy Guide](#).

Examples: Critical Service

- Primary or secondary education as determined under State law and provided in a day or residential school, including parochial schools
- Emergency medical care (diagnosis or treatment of mental or physical injury or disease) provided in clinics
- Fire protection

Example: Non-Critical, Essential

- Community centers established and primarily used for the purpose of offering services to the community at large
- Community centers established and primarily used for the purpose of offering services and activities intended to serve a specific group of individuals (e.g., women, African Americans, or teenagers) provided the facility is otherwise available to the public on a non-discriminatory basis
- Facilities that do not provide medical care, but do provide assisted living or rehabilitation
- Facilities that do not provide medical care, but do provide child care, food assistance, and a wide array of other public services

Example: Limited Access

- Senior centers, that restrict access in a manner clearly related to the nature of the facility, are still eligible
- Facilities used for community meetings or activities for only a brief period, or at irregular intervals, are not eligible

Example: Primary Use

If the same physical space is used for both eligible (community classes) and ineligible services (classes offered only to select organizations), the primary use is the use for which more than 50 percent of the operating time is dedicated in that shared physical space.

If space is *available* for use, but the nonprofit cannot support that it *is* used for eligible services for more than 50 of the percent of operating time, this criterion is not met.

If the nonprofit shares a facility, the facility must be primarily (50+%) owned by the nonprofit and meet the primary use requirement of 50%. For example, If the nonprofit (a clinic) owns the entire facility and leases a portion of it to another entity (a private doctor's office), the facility is eligible provided that the nonprofit dedicates 50+% percent of the facility for eligible services (medical care via the clinic).

If the nonprofit leases 50 percent or more of the facility to an ineligible entity, or for ineligible services, then the facility is ineligible.

“General Public”

Nonprofit facilities generally meet the requirement of serving the general public if **ALL** of the following conditions are met during regular day to day operations:

- Facility use is not limited to any of the following: A certain number of individuals; A defined group of individuals who have a financial interest in the facility, such as a condominium association; Certain classes of individuals; or An unreasonably restrictive geographical area, such as a neighborhood within a community;
- Facility access is not prohibited with gates or other security systems; and
- Any membership fees meet all of the following criteria: Are nominal; Are waived when an individual can show inability to pay the fee; Are not of such magnitude to preclude use by a significant portion of the community; and Do not exceed what is appropriate based on other facilities used for similar services

Facilities established or primarily used for political, athletic, recreational, vocational, or academic training, conferences, or similar activities are not eligible. See table 3 on page 14 of the [Policy Guide](#).

How to Access Reimbursement (step 1)

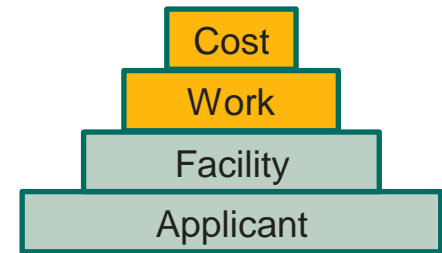
- The first step is to begin to document possible eligible costs. Costs must be for eligible work.
 - Guidance on support documentation is provided in table 10 on page 139 of the [Policy Guide](#).
 - It is important that you follow FEMA's Procurement During Exigent or Emergency (EE) Circumstances rules. ***Failure to follow Federal contracting and procurement requirements puts you at risk of not receiving reimbursement for otherwise eligible costs.*** Guidance on procurement can be found on pages 30-32 of the [Policy Guide](#).

To be eligible, the work must be required as a direct result of COVID-19.

Categories of eligible work:

- Any measure taken to eliminate or reduce an immediate threat to life, public health, or safety
- Costs incurred in the performance of eligible emergency protective measures
- Costs associated with Temporary Facilities

We are responsible for showing that the work is due to an immediate threat.



How to Access Reimbursement (step 2)

- The second step, as noted in the declaration, is to apply.
- The State applies first, and then submits requests for public assistance (RPAs) by other eligible entities – such as municipalities and private nonprofits – to FEMA. **FEMA’s process changed last fall, and Michigan is still clarifying how to do this.** Things we do know:
 - All potential applicants will be required to have an account in FEMA’s new Grants Portal.*
 - Applicants must have an active Dun and Bradstreet (DUNS) number. If the Applicant does not have an active DUNS number, it may request one at: www.dnb.com/get-a-duns-number.html
 - Private nonprofits must provide documentation of their facility eligibility (table 5, page 131)
- Once all RPAs are submitted, FEMA will host an applicant briefing. This is supposed to happen within 21 days of the state’s application.

*the State must set up applicants in the portal for them to have access.

Coordinating with the City

While the City cannot oversee reimbursement to nonprofits, and all applications for FEMA assistance by eligible entities ultimately will flow through the state, we can collect and submit requests for assistance on behalf of other organizations.

The intention of these slides is to ensure that the maximum number of Detroit organizations that are eligible and able to help know early on what they need to do to be reimbursed.

If you would like the City to submit your request please complete [this form](#).