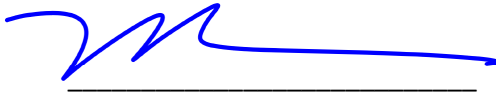


Chapter 7.0 (3.0)



Approved by

Manuel A.J. Laboy Rivera, PE, MBA

Executive Director

Payment
& Cash
Management



GOVERNMENT OF PUERTO RICO
CENTRAL RECOVERY RECONSTRUCTION
AND RESILIENCE OFFICE

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Payment and Cash Management

Version 3.0 Updates and Revisions

The Government of Puerto Rico (GPR) and the Central Office of Recovery, Reconstruction, and Resiliency (COR³), are pleased to issue this Revised Second Edition (Version 3.0) of the Disaster Recovery Federal Funds Management Guide (DRFFMG), Chapter 7 – Payment and Cash Management. Version 3.0 applies to payment requests submitted, and COR³ payment processing initiated, on or after June 14, 2022. This version supersedes Version 2.0.

The DRFFMG, Chapter 7 – Payment and Cash Management (Version 3.0) includes the following:

Payment Request Processes

Incorporated Sample Review Process for Force Account Labor and Non-Force Account RFRs – Addendum 1

Incorporated Request for Working Capital Advance Process – Pilot Program – Addendum 1

Payment Request Policy

Amended policy requirement to link proof of payment to RFRs aged over 60 days in Payment Complete Stage, instead of 90 days.

Revised Insurance Reduction policy for Actual Insurance

Request for Reimbursement Process

Reduced Subrecipient RFI response period from 14 calendar days to 7 calendar days.

Version 2.0 Updates and Revisions

As part of the 2.0 version of the Payment and Cash Management Policy and Procedure, COR³ streamlined the Request for Reimbursement (RFR) review and payment processes to increase efficiency and minimize review time while maintaining the highest standard of compliance review and oversight. Most significantly, the Completeness and Compliance Assessments were combined into one Document Review Stage, which necessitated the elimination of the Express Pay System (EPS). This new improved process included a mechanism to disburse an expedited payment, the RFR Progress Payment, in addition to the RFR Final Payment without the need for retainage to be withheld. Chapter 7 was also been expanded to incorporate additional payment processes, such as Small Project Payments, the Expedited Funds Initial Disbursement process, and the Closeout Final Payment Request process that were not captured in previous versions.

The DRFFMG, Chapter 7 – Payment and Cash Management (Version 2) included the following:

Payment Request Processes
Incorporated Expedited Funds Initial Disbursement Process for Expedited Project Funds
Incorporated Small Project Payments Process
Incorporated Closeout Final Payment Request Process
Replaced Triage Stage with Initial Assessment Stage
Updated Service Level Aging Goals for RFAs and RFRs
Updated Request for Information Process
Payment Request Policy
Increased number of allowed RFR submittals from one per Project Worksheet (PW) to unlimited
Added Insurance Reduction policy
Updated Procurement Requirements based on 2 CFR § 200 revisions (2020)
Added policy requirement to maintain advance funds in interest bearing account
Added policy requirement for RFRs to be divided into Non-Force Account RFRs or Force Account RFRs
Added policy requirement to link proof of payment to RFRs aged over 90 days in Payment Complete Stage
Request for Reimbursement Process
Combined Completeness Review and Compliance Assessment into Document Review Stage
Combined Completeness Review QA/QC and Compliance Assessment QA/QC into Document Review QC Stage
Eliminated Express Pay System Process
Added Progress Payment mechanism
Added proof of payment linking mechanism for DRS
Cash Management Policy
Added policy requirement to maintain advance funds in interest bearing account
Cash Management Process
Combined Finance 2 & Treasury 1 Roles
Combined Treasury 2 & Treasury 3 Roles

Incorporated [Improper Payment Recoupment Process](#)

Documents

Updated Requirement Documents ([Procurement & Contract Documents](#) & [RFR Required Documents](#)) tables

Combined the Completeness and Compliance Checklists into the [RFR Document Review Checklist](#)

Added [DRS document locations](#)

Updated [document naming conventions](#)

Introduction

Scope and Purpose

The Government of Puerto Rico's (GPR) Central Office of Recovery, Reconstruction, and Resiliency (COR³) Disaster Recovery Federal Funds Management Guide (DRFFMG), Chapter 7 – Payment and Cash Management, addresses COR³'s governing policies, procedures, and related responsibilities for the disbursement of FEMA Public Assistance (PA) program funding to Subrecipients. This chapter covers COR³'s payment processes, including Small Project Payments, Large Project Payment Requests (e.g., Requests for Reimbursement (RFRs) and Requests for Advance (RFAs)), Expedited Funding Project Payments, Final Payment Reconciliation and Recoupment, and the technical payment processes performed by COR³'s Finance Division.

The RFA and RFR processes, cumulatively referred to herein as "Payment Requests," start with the Subrecipient's submission of a request for payment and end with COR³ Grant Review's payment recommendation. Grant Review performs a detailed review of the payment request and supporting documentation to determine if it is compliant with applicable GPR and Federal statutes, regulations, and terms and conditions of the award. The results are used to assess the eligibility of project costs and the amount of Federal funds recommended for payment.

After Grant Review recommends payment, the Finance Division carries out the processes required to disburse approved funding to the Subrecipient. The Cash Management process applies to the Finance Division's review and approval of Payment Requests recommended for payment, the Federal Fund Drawdown (Drawdown) process, and the issuance of payment(s) to Subrecipients.

The Payment and Cash Management policy and process described herein incorporates multiple stages for the purpose of separation of duties and other internal controls to guard against fraud, waste, and abuse, and to ensure payments are made in accordance with 2 CFR § 200.305 Federal payment.

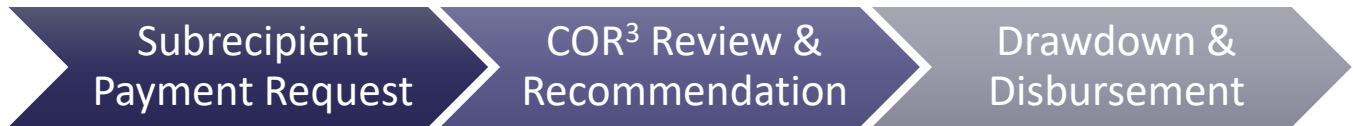
Regulatory Authority

GPR, COR³, and its Federal award Subrecipients (local governments, GPR agencies, and non-profit organizations) are generally required to comply with the *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) at 2 CFR § 200, as adopted by DHS at 2 CFR § 3002.

Emergency Management and Assistance (44 CFR) regulations provide authority and general guidelines to manage the Public Assistance (PA) program. Additionally, FEMA has issued numerous policy documents, including the "Public Assistance Program and Policy Guide, Version 4.0," that are updated periodically and are applicable depending on the declared disaster or emergency. COR³ will perform Payment Request reviews in accordance with the applicable Public Assistance policies and procedures established by the Federal Emergency Management Administration (FEMA) and GPR.

Traditional Payment and Cash Management Process Overview

Payment procedures are generally tied to the categorization of a project as a Large or Small Project based on the annually adjusted Project Threshold amount, which applies to incidents declared within that fiscal year.¹ As FEMA administers funding for Large and Small Projects differently, COR³ processes payments for Large and Small Projects differently.² For Large Projects, Subrecipients are required to submit a Payment Request with supporting documentation to receive an advance or a reimbursement. An overview of the traditional payment and cash management processes for Large Projects is shown below.



The two types of Payment Requests submitted by Subrecipients for Large Projects are shown below.



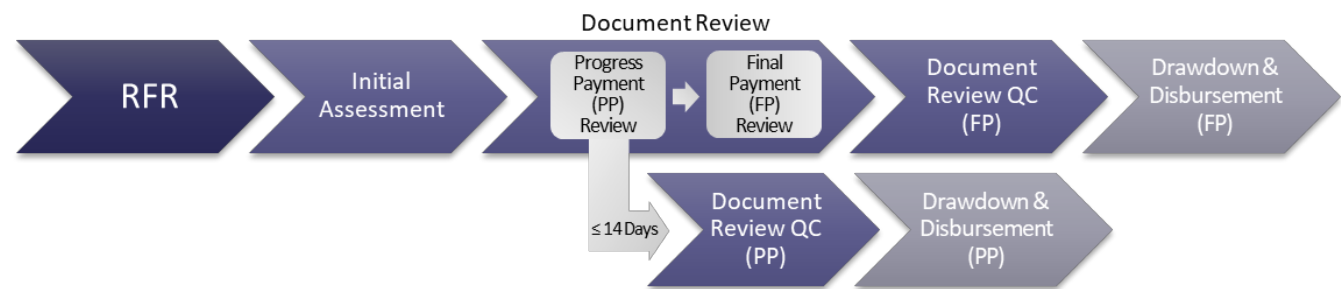
An overview of the Request for Advance process is shown below.



Request for Advance

- Advance payment for immediate cash needs
- RFA submitted by Subrecipient in DRS
- Requires that the Advance Payment Criteria has been met
- Restricted to Contract Work, Rental Equipment, and Material work types
- Expense documentation to be submitted through RFR process after costs have been incurred

An overview of the Request for Reimbursement process is shown below.



¹ The project threshold amount is available at: www.fema.gov/public-assistance-indicator-and-project-thresholds.

² Small projects written for Management Costs or Accelerated Debris Removal (allowable for disasters and emergencies declared on or after June 28, 2014 thru June 27, 2018) are an exception and are processed and paid with standard large project procedures, not simplified procedures.

Request for Reimbursement

- Payment for incurred costs
- RFR submitted by Subrecipient in DRS
- Unlimited RFRs may be submitted when proof of payment is uploaded and linked to previously disbursed RFRs within 60 days of "Payment Complete"
- Detailed Document Review performed prior to payment
- Grant Analyst recommends Progress Payment for the amount reviewed (100% validation) within 14 calendar days or less and found documented and compliant
- Progress Payment is reviewed in Document Review Quality Control and advanced to Ready to Pay while the Grant Analyst completes review of the remaining expenses
- After the expense review is complete, including a quality control review, a Final Payment is disbursed

RFRs and RFAs consist of three primary stages:

Stage	Assigned Role	The purpose of this stage is to answer the question:
Initial Assessment (IA)	Initial Assessment Analyst (IAA)	<p>Is the Payment Request complete and who should it be assigned to for Document Review?</p> <p>In this stage, the COR³ Initial Assessment Analyst (IAA) determines if the Subrecipient has attached the proper signed request form (RFA or RFR Form) to the Payment Request and that the request type is applicable to the project. If the request passes the initial assessment, COR³ will assign a Grant Analyst and advance the request to Document Review. The IA Analyst will assign re-submissions to the original reviewer unless the original reviewer has insufficient availability.</p>
Document Review (DR)	Grant Analyst (GA)	<p>Has all required supporting documentation for the Payment Request been provided? Is the supporting documentation accurate, valid and complete? Are the claimed costs within the scope of work (SOW) of the project? For RFRs, were the expenses incurred in accordance with applicable regulatory and program rules and used for their intended purpose?</p> <p>In this stage, COR³ Grant Review determines if all required documentation has been provided and if the Payment Request is compliant with applicable FEMA & GPR policies and procedures.</p>
Document Review Quality Control (DRQC)	QA/QC Analyst (QCA)	<p>Did the DR Grant Analyst (GA) correctly document the claimed costs? Did the GA accurately account for missing required documents? Are the GA's review tools and resulting recommendation to pay accurate, valid, and complete?</p> <p>In this stage, the COR³ QA/QC Analyst (QCA) performs a quality assurance review of the GA's work to validate the recommended payment amount, Request for Information (RFI) draft letter and list (if applicable) and completed review tools.</p>

Whereas Large Projects require validation of expense documentation by COR³, Small Projects are paid upon Project Worksheet (PW) obligation based on the obligated Federal cost share and do not require a Subrecipient to submit a Payment Request or documentation at the time of disbursement³.

An overview of the payment and cash management processes for Small Project Payments (SPPs) is shown below.



Furthermore, COR³ has developed a separate auto-generated Payment Request process to accelerate the initial disbursement for projects designated as Expedited Funding Projects by FEMA. The Expedited Funding Initial Disbursement (EFID) process applies to the initial obligation of the project (e.g., Version 0). After the initial disbursement, the Subrecipient must fully substantiate the payment with supporting expense documentation through the submittal of RFRs. After validation, if FEMA obligates additional funding through a project amendment, standard Large Project Payment Request procedures apply.

An overview of the payment and cash management processes for EFID is shown below.



The last Payment Request type is only initiated in Project Closeout and is prepared by and recommended for payment by COR³'s Closeout Division, not Grant Review. If FEMA approves a cost adjustment at Closeout through a PW amendment (e.g., PW Version), the COR³ Closeout Specialist will prepare and submit a Closeout Final Payment Request (CFPR) to reconcile the documented project costs and Subrecipient approved payments with the final approved project costs. The CFPR may be negative or positive depending on whether the Closeout Version deobligated funding or obligated additional funding. If the CFPR is negative, an accounts receivable balance will be created in DRS and a recoupment request will be sent to the Subrecipient instead of final payment.

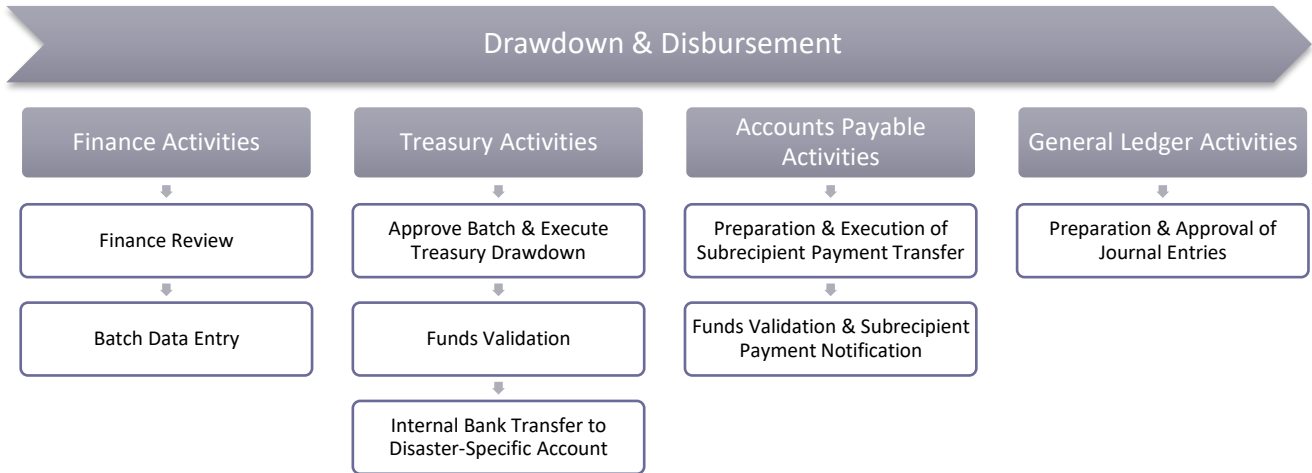
An overview of the payment and cash management processes for CFPR is shown below.



The Payment Request type is dependent on various factors, such as project size, type, and Subrecipient prerogative; however, the technical process that COR³ Finance utilizes to drawdown Federal funds and disburse payment to the Subrecipient is constant throughout and applies to each Payment Request type. As such, the drawdown and disbursement process procedures are covered independently in the [Cash Management Policy and Procedures](#) sections.

³ Documentation for Small Projects is required in full at the time of the applicable Project Worksheet closeout.

An overview of COR³ Finance’s drawdown and disbursement processes is shown below.

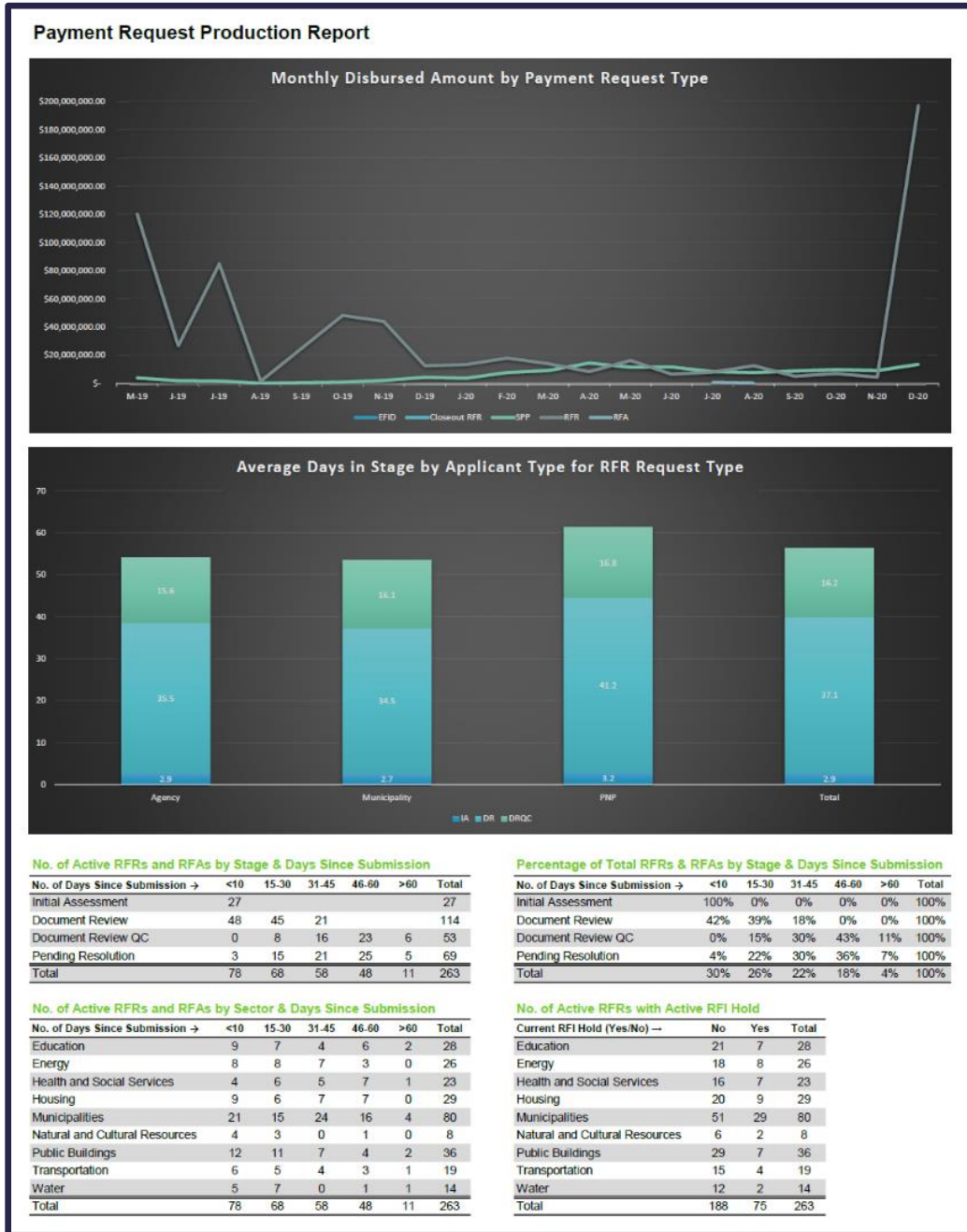


Performance and Financial Monitoring and Oversight Reports

Key metrics are tracked and communicated through management reports, which permit COR³ leadership to monitor Subrecipients' Payments as they progress through the payment review process. The reports can help facilitate meetings and enable COR³ to make informed management decisions by monitoring and tracking integrated Subrecipient and project data.

Payment Request Production Report – FEMA Public Assistance

A sample overview of the Payment Request Production Report is shown below.



Large Project Payment Review Process Service Level Aging Goals

COR³ has established service level aging (SLA) goals, examples of which are shown in the “Aging Goal” columns below.⁴

- If the RFR includes expenses that can be 100% validated upon submission, the expectation for the Subrecipient to receive an **RFR Progress Payment is 29 days**;
- The expectation for the Subrecipient to receive the **Final Payment is 60 days if the full RFI Hold period is required**; and
- The expectation for the Subrecipient to receive an **Advance Payment is 21 days from the date of submission if an RFI is not required**.

DRS Stage	Description	Aging Goal (RFR)	Aging Goal (RFA)
Initial Assessment (IA)	COR³ performs a cursory review and assigns a Grant Analyst (GA) to each Payment Request.	</= 3 days	</= 3 days
Document Review (DR)	COR³ GA performs 100% validation of required documents to determine amount to recommend for payment.	</= 35 days*	</= 8 days
<ul style="list-style-type: none"> • RFR Progress Payment (PP) Review 	GA issues recommendation for allowable amount that has been 100% validated prior to issuing RFI and within 14 days of entering DR stage.	</= 14 days	N/A
<ul style="list-style-type: none"> • RFR Final Payment (FP) Review 	GA issues recommendation for total allowable amount 100% after complete review and RFI (if needed).	</= 14 days	N/A
RFI Hold (within DR Stage)	GA issues RFI to Subrecipient and places Payment Request on Hold for the Subrecipient to provide missing information and/or documentation.	</= 7 days	</= 7 days
Document Review Quality Control (DRQC)	COR³ QA/QC Analyst (QCA) performs quality assurance review of the GA’s review and determination.	</= 15 days*	</= 3 days
<ul style="list-style-type: none"> • RFR PP 	QCA performs quality assurance review of the PP review and recommended amount.	</= 5 days	N/A
<ul style="list-style-type: none"> • RFR FP 	QCA performs quality assurance review of the FP review and recommended amount.	</= 10 days	N/A
Cash Management	COR³ Finance Division performs drawdown and disbursement of approved funds to Subrecipient.	</= 7 days	</= 7 days

*The DR and DRQC aging goals for RFRs are inclusive of the PP, RFI Hold, and FP aging goals.

⁴ SLA goals, especially within the IA and DR stages, are dependent on COR³ assignment strategies, review prioritization, and GA availability.

Note: In the above table, the RFI Hold represents the period in which COR³ works with the Subrecipient to cure non-compliant amounts (if any). In situations in which an RFI has not been fully resolved, the Payment Request is either returned to the Subrecipient for RFI resolution or reduced to the documented, compliant amount and advanced for partial payment (see [Appendix 7-I: RFI Process](#) for additional information.)

Traditional Payment Request Policy

- 1) Large Projects will be paid through the RFR process or a combination of RFAs and RFRs;
- 2) Subrecipients may be eligible to receive an advance payment for Large Projects based on immediate cash needs and the following:
 - a) Only one advance or EFID may be outstanding (e.g., not substantiated through RFRs) for each Large Project at any given time;
 - b) Required expense documentation must be submitted through RFRs to 100% validate the advance payment prior to a subsequent RFA submission or closeout, whichever occurs first;
 - c) RFA submission requires:
 - i) Procurement Documentation;
 - ii) Contract Documentation; and
 - iii) 90-Day Spend Plan;
 - d) Advance payments are NOT allowed for force account labor (FAL) or force account equipment (FAE) expenses;
- 3) RFRs are 100% validated by COR³'s Grant Review Division prior to disbursement;
- 4) COR³ may issue two (2) payments for each RFR:
 - a) RFR Progress Payment may be recommended for payment in an amount equal to the Federal share of the RFR requested amount found to be documented and compliant (after 100% validation) within fourteen (14) calendar days in the Document Review Stage and prior to issuance of an RFI; and
 - b) RFR Final Payment for the RFR Recommended Amount Federal share remaining balance (after Progress Payment Federal share is deducted) shall be issued for RFRs after all expenses have been reviewed and, if needed, RFI has been resolved or expired;
- 5) For each Subrecipient transaction, an expense or revenue entry is required in DRS:
 - a) Each invoice, receipt, credit, etc. must be entered as its own expense or revenue entry in DRS;
- 6) Subrecipients are required to demonstrate proper procurement and incurred costs by expense category for RFRs. Required documentation is summarized in [Appendix 7-G: RFR Required Documentation](#);
- 7) RFRs may include expenses within either the Non-Force Account expense type category OR the Force Account expense type category, but not both. The RFR will then be categorized depending on the expense type(s) included within the RFR:
 - a) **Non-Force Account RFR:** May include Contract Work, Rental Equipment, and/or Materials expenses; and
 - b) **Force Account RFR:** May include FAL and/or FAE;
- 8) Subrecipients must submit and link compliant proof of payment to all approved expenses within 60-days of the RFR entering the "Payment Complete" stage, including the final RFR:
 - a) If payment is not linked within 60-days, no new RFRs may be submitted until the issue has been resolved;
- 9) All Subrecipient Payment Request submissions and re-submissions commence in the Initial Assessment stage;
- 10) For FEMA-designated Expedited Funding Projects:

- a) An EFID for 100% of the obligated Federal share of the initial version will be auto-generated upon obligation and disbursed to the Subrecipient;
 - b) After disbursement, EFIDs must be substantiated through Subrecipient-submitted RFRs to reconcile the initial estimate with actual incurred costs;
 - i) The initial RFR must be submitted within 60 days of the EFID entering the “Payment Complete” stage;
 - ii) If additional RFR(s) are needed for EFID substantiation, an RFR is required to be submitted every 60 days until EFID substantiation is complete;
 - iii) If the Subrecipient is unable to comply, Subrecipient must submit sufficient justification in writing to the Grants Manager (GM); and
 - iv) If the Subrecipient does not comply, they may be subject to enforcement action as determined in conjunction with COR³ Chief Compliance Officer.
 - c) If FEMA obligates a project amendment to adjust the initial obligation due to an inadvertent error or cost share adjustment, COR³ will manually initiate an additional disbursement to account for the revision. The additional disbursement will be treated as an extension of the initial disbursement and will require the same RFR substantiation prior to further payment approvals;
 - d) After FEMA has reconciled the project costs with the Subrecipient’s initial estimate, if additional funding is obligated through a PW amendment, the Subrecipient must submit a Payment Request through the standard RFA or RFR procedures to access the additional funding;
- 11) For Payment Requests that are missing documentation or information, or that include incomplete, inaccurate, or illegible documentation, the GA will issue an RFI to the Subrecipient and activate an RFI Hold, after receiving approval from the QCA;
- 12) Subrecipients will have 7 calendar days to resolve the RFI prior to expiration of the RFI Hold period;
- 13) Upon RFI Hold expiration without full resolution, an RFR is either:
- a) Returned to the Subrecipient (RFR Preparation) for resolution, when no cost can be reimbursed; or
 - b) Reduced to the documented, compliant amount and advanced to DRQC;
- 14) Payment Requests with issues that cannot be easily resolved will be sent to the following stages until the issue(s) have been resolved.
- a) Preparation Queue:
 - i) 100% of Payment Request included in an amendment in-progress;
 - ii) SPPs in Closeout that require Closeout Specialist validation;
 - iii) Incorrect cost share is obligated; and
 - iv) SPPs for architecture and engineering (A&E) services related to fixed cost estimate PWs;
 - b) Pending Resolution:
 - i) Previous RFR In Flight for the same vendor or FAL/FAE
 - ii) Missing Subaward Agreement
 - iii) Missing Bank Account
 - iv) Any other reasons specifically established in the policy.

- 15) Documentation to support incurred costs is not required for Small Projects unless FEMA requires the project cost to be based on actual incurred costs, such as Management Cost projects;
- 16) As stated in the Payment Request Policy, Large Projects with obligated insurance deductions will be treated as follows:
 - a) For anticipated insurance deductions, insurance will be deducted from the final RFR(s); and
 - b) For actual insurance deductions, insurance will be deducted as a *weighted percentage* of the RFR's Total Requested Amount (TRA) out of the Obligated Federal Share Amount (OFSA):
 - i) For example, the Subrecipient received \$100,000 in Actual Insurance for a PW with \$1,000,000 OFSA and submits RFR #1 for \$100,000. RFR #1 will have \$10,000 of actual insurance deducted. If the PW is a 90% Cost Share and Document Review confirms all expenses are 100% allowable, the Subrecipient will receive \$81,000 in FEMA funds.
 - ii) The calculation to arrive at a \$81,000 FEMA disbursement is as follows:
 - (a) \$100,000 TRA out of a \$1,000,000 OFSA PW = 10%
 - (b) 10% of the \$100,000 Actual Insurance Amount = \$10,000
 - (c) \$100,000 TRA minus \$10,000 Actual Insurance = \$90,000 * 90% Cost Share = **\$81,000 FEMA Disbursement**
 - iii) In scenarios of active PWs with previously disbursed RFRs where the Actual Insurance was not deducted as a percentage of TRA out of the Federal OFSA, Grant Review will be able to override the Actual Insurance deduction amount in DRS.
 - iv) If the recommended amount is less than the requested amount COR3 may adjust the insurance calculation using the recommended amount.
 - v) However, the remaining balance of the insurance, if any, will be deducted from the PW's final RFR.

Note: FEMA reduces eligible costs by the amount of actual insurance proceeds, if known, or anticipated insurance proceeds based on the Applicant's insurance policy, if the amount of actual insurance proceeds is unknown at the time of obligation. Prior to closeout, once a final settlement has been reached, documentation of actual insurance proceeds must be submitted to FEMA. FEMA subsequently adjusts the eligible costs based on the actual amount of insurance proceeds the Applicant receives. Consult the cost line "narrative" included on the PW (Form 90-91) to determine if actual or anticipated insurance deductions are included. See [Appendix 7-M: Payment Reduction Examples for Actual and Anticipated Insurance Deductions](#).

- 17) Subrecipient payment amount equals the Recommended Amount, reduced by applicable deductions (insurance, Progress Payment Recommended Amount, unreconciled RFA and/or EFID balance, etc.), multiplied by the appropriate Federal cost share percentage; and
- 18) Any exception to these policies must be:
 - a) Properly justified and documented; and
 - b) Approved by COR³'s GM or Chief Grants Officer.

Payment Request Procedures

Payment Request Procedures Introduction

The Payment Request Procedures cover the payment initiation and review processes performed by COR³ Grant Review and COR³ Closeout (CFPR only). Five types of Payment Requests are covered in this section, which include the following:

RFA

Request for Advance

RFR

Request for Reimbursement

SPP

Small Project Payment

EFID

Expedited Funding Initial Disbursement

CFPR

Closeout Final Payment Request

Each Payment Request type requires a varying degree of COR³ review and Subrecipient documentation submittals. Those variations, and other characteristics of each request, are shown in the table below.

Payment Method	Project Size		Initiation Method				Occurrence Timing			Required Documents		
	Large	Small	Subrecipient Request	DRS-Autogenerated	Closeout-Specialist Request	PW Initial Obligation	PW Initial Obligation & Amendment	Obligation < Payment(s) < Closeout	Closeout	None	Advance Criteria Documents	Complete Expense Documentation
Request for Advance	•		•					•			•	
Request for Reimbursement	•		•					•				•
Small Project Payment		•		•			•				•	
Expedited Funding Initial Disbursement	•		•		•						•	
Closeout RFR	•				•				•			•

The following sub-sections will provide additional detail for each Payment Request type with emphasis on the Large Project Request types, the RFR and RFA. The Large Project Request types are covered in greater detail due to their more rigorous review requirements. The SPP and EFID processes are auto-generated and do not require expense documentation, and Closeout RFRs require nominal review as the expenses have previously undergone 100% validation by the Closeout Specialist prior to RFR preparation and received approval from FEMA during the Closeout Process (see DRFFMG; Chapter 12 – Closeout for additional information).

Request for Advance

Request for Advance Overview

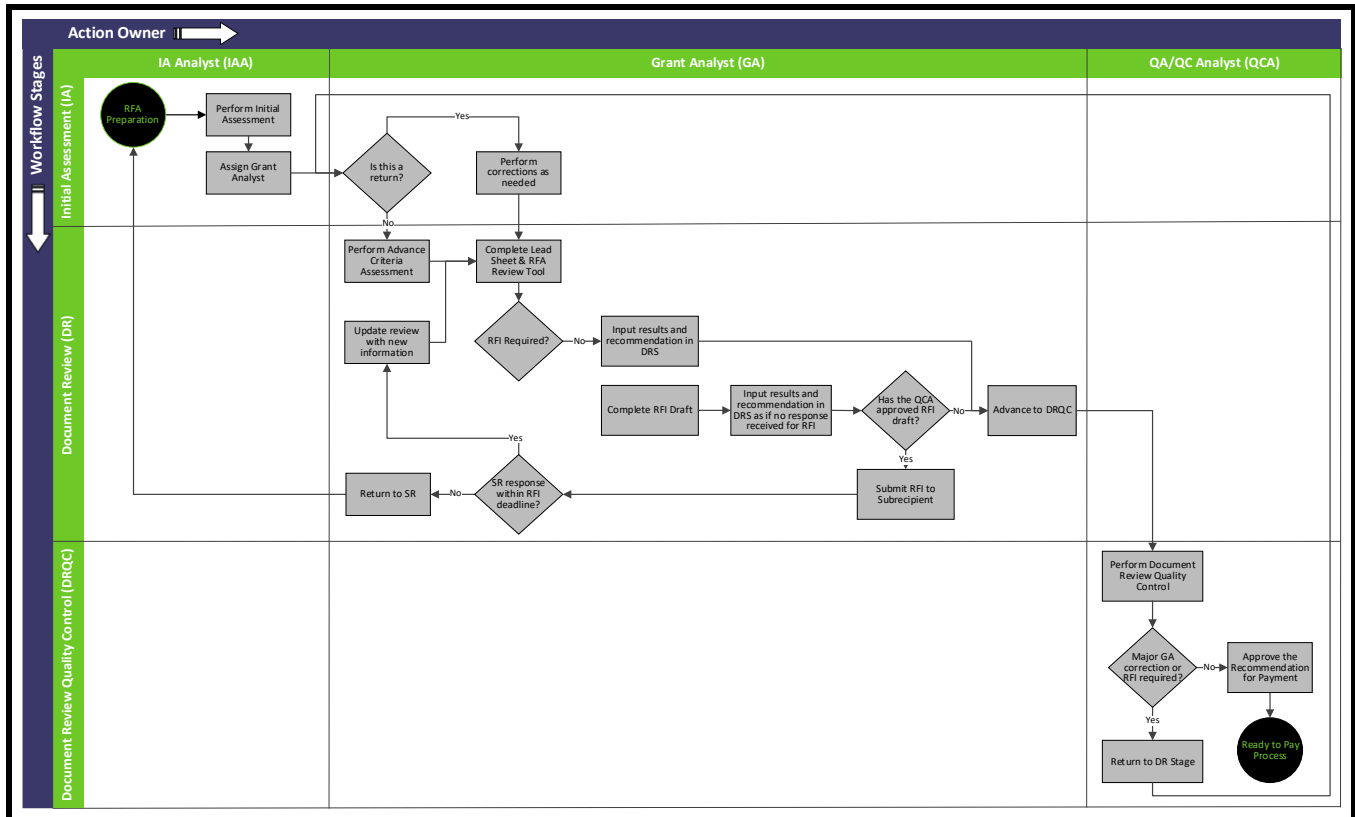
The RFA process allows funds to be disbursed to Subrecipients for anticipated cash needs. Advance payments are limited to the minimum amounts needed and are timed to be in accordance with the Subrecipient’s actual, immediate cash requirements to carry out the purpose of the obligated project. The timing and value of advance payments are to be as close as is administratively feasible to the Subrecipient’s actual disbursements (accounts payable cycle of the entity). The RFA will only be considered with documentation to support immediate need and only in the amount necessary to accomplish the requested task(s). Required documents, which include procurement, contract documentation, and a 90-day Spend Plan, will be evaluated for compliance with regulatory procurement and contracting requirements, and immediate need prior to Grant Review approving a recommendation to pay. An RFR to substantiate the advance payment and validate allowable costs is required following approval of an RFA.

The progression of a submitted RFA assuming reviewers do not encounter any special situations and/or exceptions during their assessments is shown below.



Request for Advance Process Flow

An overview of the RFA process is shown in the diagram below.



Request for Advance Process Diagram

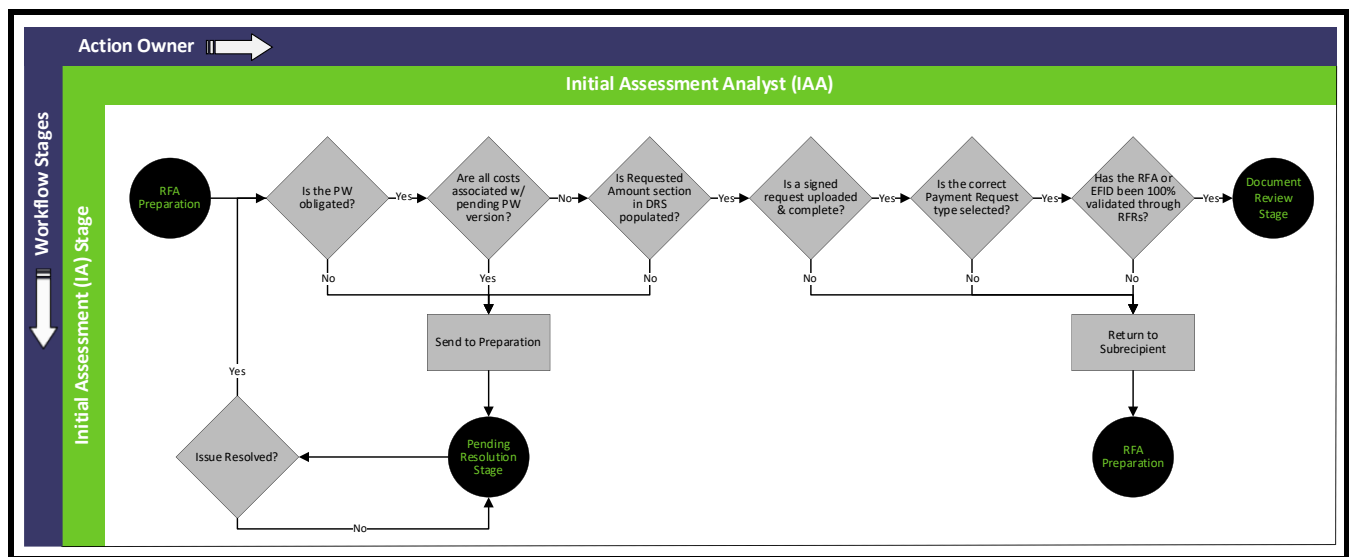
Request for Advance Detailed Process Steps

1. Payment Request Preparer Stage

The RFA Payment Request type is initiated and prepared by the Subrecipient in GPR’s system of record, Disaster Recovery Solution (DRS). An overview of the Subrecipient’s RFA submission process is provided in [Appendix 7-D: Subrecipient RFA Submission Process Overview](#).

2. Initial Assessment Stage

Once the Subrecipient submits the RFA in DRS, the COR³ Initial Assessment Analyst (IAA) performs a cursory review of the project and supporting documentation to determine if the project is eligible for an RFA, the RFA was submitted correctly, and that the Subrecipient has provided documentation for the Grant Analyst (GA) to review. If the request passes the initial assessment, the IAA will assign a GA and advance the request to Document Review. If not, the IAA will return the RFA to the Subrecipient queue. An overview of the IA process is shown below.



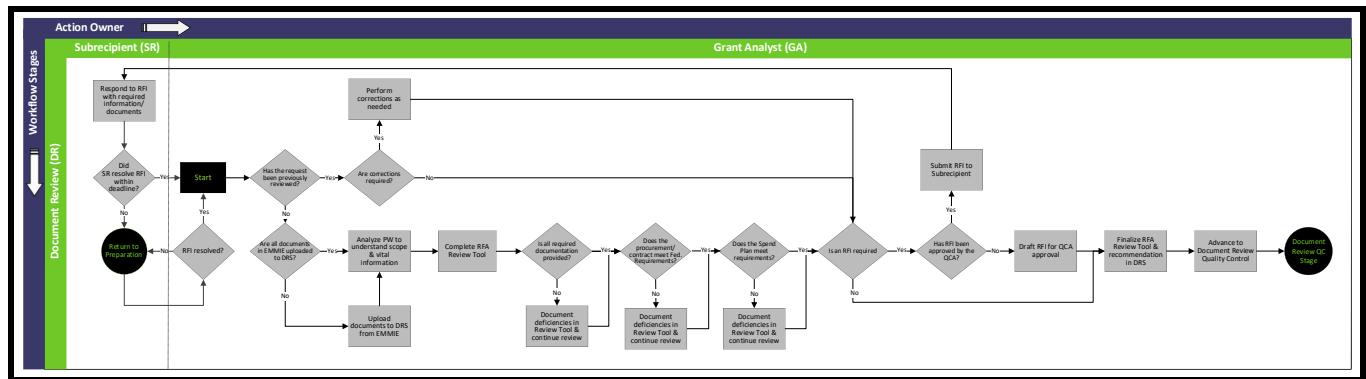
RFA - Initial Assessment Stage Process Diagram

When a RFA is received, the IAA will:

- 1) Perform a cursory review of the PW and RFA to verify an RFA is allowable and ready for Document Review. If the IAA finds that an RFA is not allowable or is insufficiently documented to be assigned for Document Review, the IAA returns the RFA to the Subrecipient with notes detailing the issue(s) unless otherwise stated. The IAA will verify the following:
 - a) The RFA is associated with obligated costs and not a pending PW version;
 - b) The correct Payment Request type is selected in DRS;
 - c) The Requested Amount section in the DRS RFA Details section is populated; and
 - d) The RFA form is uploaded, signed, and can be accessed in DRS;
- 2) Determine GA availability;
- 3) Assign the RFA to the selected GA in DRS; and
- 4) Advance the RFA to the Document Review stage.

3. Document Review Stage

Once the RFA has passed the IA, the assigned GA will review the PW and RFA documentation to determine if the [required RFA documentation](#) has been provided and is accurate, valid, and complete. The GA will also determine if the claimed costs are within the PW SOW, and that the vendor was properly procured and contracted in accordance with applicable Federal, GPR, and local policy. If additional information is required to make a determination, the GA will draft an RFI and advance the RFA to the QCA for review and approval prior to submitting the RFI to the Subrecipient. When the GA has enough information to recommend payment, the GA will input the results and advance the RFA to Document Review Quality Control. An overview of the DR process is shown below.



RFA – Document Review Stage Process Diagram

When an RFA is initially advanced to Document Review, the GA will:

- 1) Check EMMIE and DRS to determine if the current PW (90-91 Form) is uploaded to DRS:
 - a) Upload current PW version to DRS, if needed;
- 2) Analyze PW to understand the following:
 - a) Respective disaster and applicable rules and regulations;
 - b) Category of work (emergency vs. permanent);
 - c) SOW;
 - d) Period of performance;
 - e) Obligated amounts by damage location and expense type; and
 - f) PW Cost Line items;
- 3) Utilize the RFA Review Tool to document required information, missing documentation, compliance deficiencies, findings, notes, etc. as review is performed;
- 4) Verify the following:
 - a) [Required RFA documents](#) have been provided and are complete, accurate, and signed (if required);
 - i) If documents or information is missing, incomplete, or illegible, draft a Request for Information (RFI) list and continue adding items, as needed, throughout the review;
 - b) Requested advance SOW is allowable under the approved PW SOW;
 - c) Projected timeline is within the approved Period of Performance as identified in the PW and applicable time extension approvals;
 - d) Vendor is not on the [Federal Debarment List](#), if the Subrecipient did not provide evidence of a debarment check;

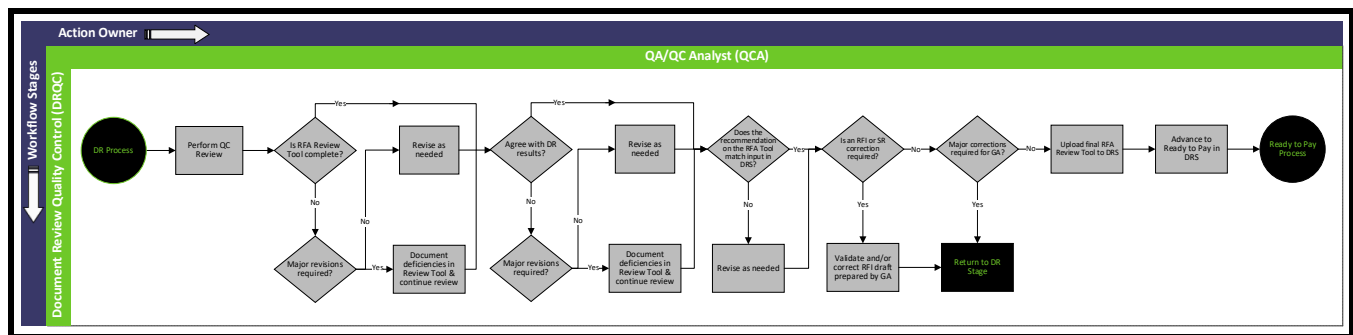
- i) Whether search of the Federal Debarment List yields results or not, upload a copy of the search results to the RFA in DRS using the Signed Contracts and Purchase Order Type;
 - ii) If the Vendor is debarred, the cost associated with that vendor will be reduced from the RFA recommended amount;
 - e) Contracts and the amendments are registered in the [Office of the Puerto Rico Comptroller](#), if applicable:
 - i) Upload a copy of the search results to the RFA in DRS using the Signed Contracts and Purchase Order Type;
- 5) Validate the Spend Plan is compliant with COR³ policy by confirming the following:
 - a) Spend Plan includes the following, at minimum:
 - i) Work start date (Notice: work should be scheduled to begin at least 30 days after the date of RFA submission to align with disbursement of funds);
 - ii) Anticipated vendor payment(s):
 - (1) Estimated payment amount(s); and
 - (2) Estimated payment date(s);
 - b) Spend Plan does not exceed 90-days from the work start date; and
 - c) RFA requested amount aligns with the Spend Plan anticipated payment(s);
- 6) Validate Procurement Method by completing vendor tab for each vendor in the RFA Review Tool:
 - a) Based on the contract amount, determine the method of procurement that applies based on Federal procurement regulations in 2 CFR § 200.320 (see [Appendix 7-J: Federal Procurement Requirements](#) for additional information);
 - b) Review the Subrecipient's Procurement Policy and evaluate if the Subrecipient or Federal regulations have the strictest standards for procurement of applicable contract(s);
 - c) Determine if the selected method of procurement is compliant with the most restrictive requirement between the Subrecipient Policy and the Federal regulation;
 - i) If not, determine if the rationale for the method of procurement was provided and if it is reasonably justified;
 - ii) If the most restrictive method was not selected and no rationale or an insufficient rationale was provided, include a procurement justification memo in the RFI draft;
- 7) Validate Contract Requirements were met using the vendor tab in the RFA Review Tool:
 - a) Determine what contract type was utilized and if it is an allowable type:
 - i) Cost plus a percentage of cost and percentage of construction cost methods of contracting must not be used;
 - ii) If a Time and Materials type contract was used, the following is required:
 - (1) "Not to exceed" cost; and
 - (2) Reasonable justification for use of Time and Materials contract;
 - b) For construction contracts exceeding the Simplified Acquisition Threshold (SAT), confirm bonding requirements meet or exceed Federal minimum standards in 2 CFR § 200.326; and

- c) Verify that the contract or purchase order includes the required Federal clauses in accordance with 2 CFR § 200.327.
- 8) If an RFI is required:
 - a) Confirm missing documents are not in EMMIE;
 - b) Finalize RFI list; and
 - c) Draft RFI notification in accordance with standard template;
- 9) Complete the RFA Review Tool;
- 10) Input payment recommended amount in DRS:
 - a) Reduce recommended amount if any of the following apply:
 - i) Contract was improperly procured without sufficient justification;
 - ii) Contract or P.O. does not include the required Federal clauses;
 - iii) Amount requested is associated with work not in the PW SOW;
 - iv) Amount requested exceeds the obligated amount; and/or
 - v) Spend Plan does not justify immediate cash need;
- 11) Transmit RFA Review Tool and RFI Draft, if needed, to the QCA; and
- 12) Advance RFA to Document Review Quality Control.

Note: For additional information on the RFI process, including supplementary DR procedures for when the RFI list and draft have been approved by the QCA and returned to DR, see [Appendix 7-I: RFI Process](#).

4. Document Review Quality Control Stage

In this stage, the COR³ QA/QC Analyst (QCA) performs a quality assurance review of the GA’s work to validate the recommended payment amount, Request for Information (RFI) draft, if applicable, and completed RFA Review Tool. An overview of the DRQC process is shown below.



RFA – Document Review Quality Control Stage Process Diagram

When an RFA is initially advanced to Document Review Quality Control, the QCA will:

- 1) Review the RFA Review Tool and DRS inputs to verify the following:
 - a) RFA Review Tool is complete, including contractor narratives, as applicable;
 - b) SOW review is complete;

- c) All recommended fields are populated per transaction item in DRS; and
 - d) Advance recommendation on the RFA Review Tool and recommendation in DRS match;
- 2) If an RFI is required:
- a) Review RFI list and draft for accuracy and completeness;
 - b) Correct RFI list and draft as needed; and
 - c) Return Payment Request to DR;
- 3) If errors are found during the review:
- a) Correct minor errors as needed; and
 - b) Return Payment Request to DR for major revisions after review is complete;
- 4) If no major errors are found and no RFI is required:
- a) Upload final RFA Review Tool to DRS; and
 - b) Advance Payment Request to Ready to Pay.

5. Ready to Pay Stage

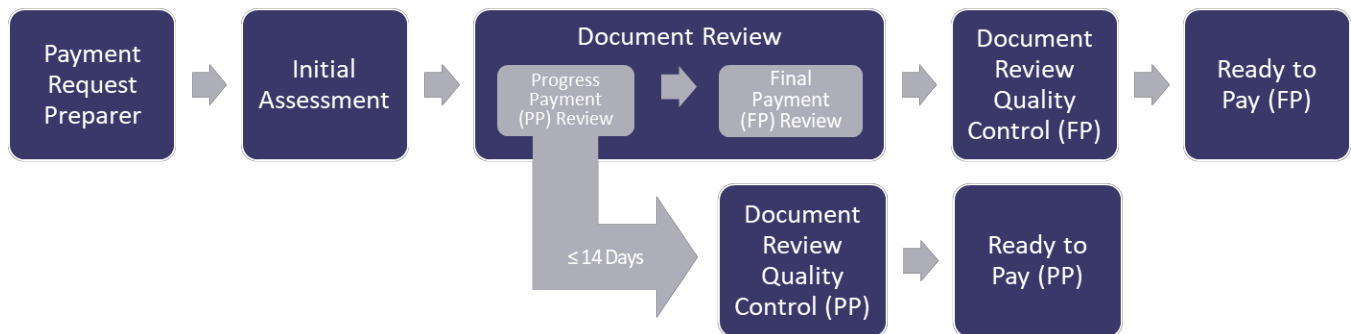
The actions performed in the RTP stage are performed by COR³ Finance and are covered in the [Cash Management Procedures](#) section.

Request for Reimbursement

Request for Reimbursement Overview

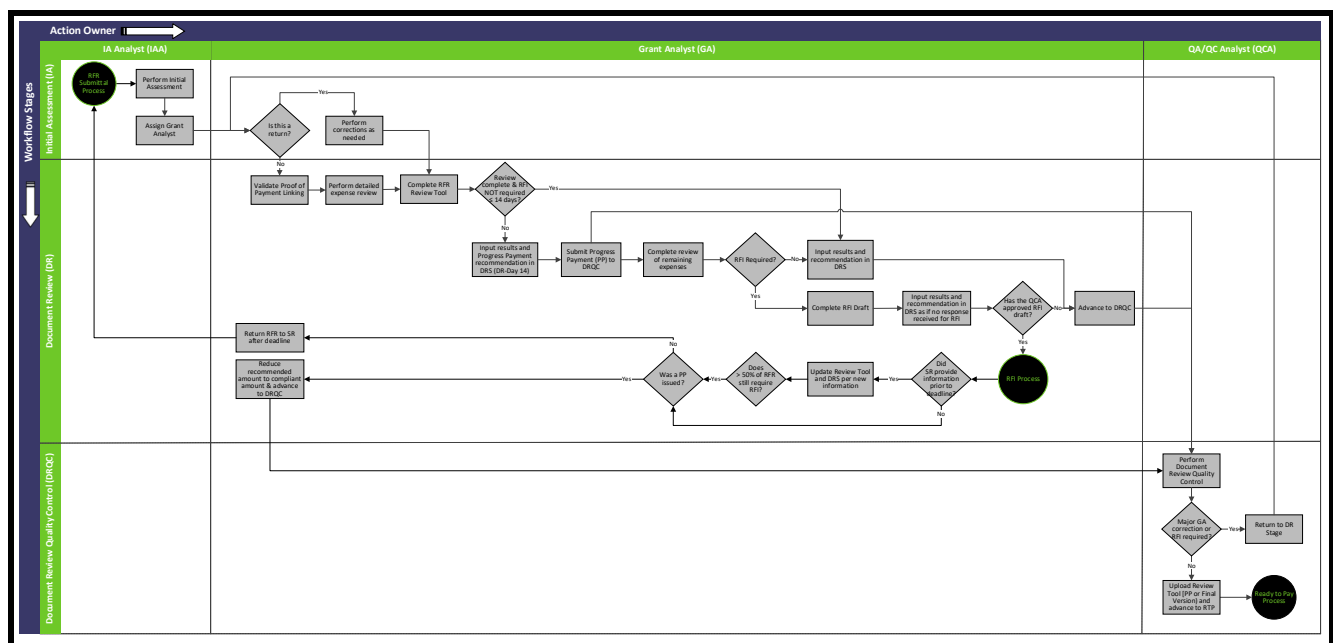
Through the RFR process, COR³ provides payments for the documented and compliant costs already incurred by the Subrecipient. COR³ performs a two-level Document Review (DR), which includes a quality control review, to determine if the claimed expense(s) were incurred in accordance with applicable regulatory and program rules and used for their intended purpose. To provide accelerated RFR funding to the Subrecipient while maintaining the highest standard of review, the GA will recommend a Progress Payment (PP) for the amount 100% validated within fourteen (14) or less calendar days. The PP will proceed to DRQC and Ready to Pay while the GA completes the RFR Document Review. Once the GA completes review and any required RFIs have been resolved or expired, the GA documents the total RFR Recommended Amount. Prior to disbursement, the PP Federal share will be deducted from the RFR Final Payment (FP) Federal share.

The progression of a submitted RFR assuming reviewers do not encounter any special situations and/or exceptions during their assessments is shown below.



Request for Reimbursement Process Flow

An overview of the RFR process is shown in the diagram below.



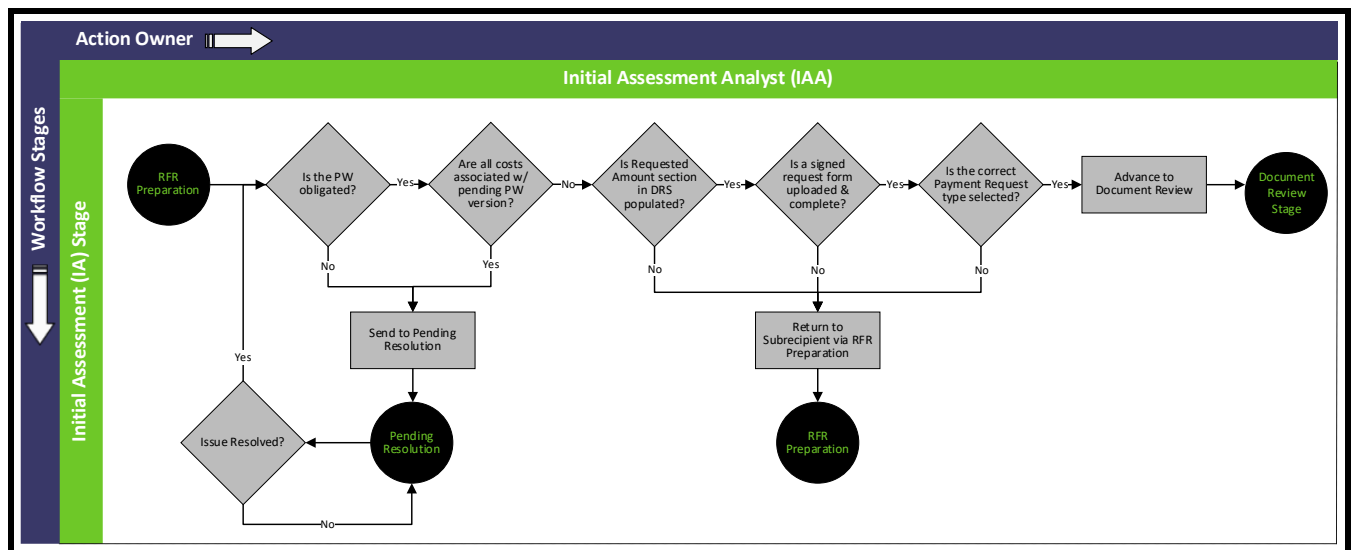
Request for Reimbursement Process Diagram

1. Payment Request Preparer Stage

The RFR Payment Request type is initiated and prepared by the Subrecipient in GPR’s system of record, Disaster Recovery Solution (DRS). An overview of the Subrecipient’s RFR submission process is provided in [Appendix 7-F: Subrecipient RFR Submission Process Overview](#).

2. Initial Assessment Stage

Once the Subrecipient submits the RFR in DRS, the COR³ IAA performs a cursory review of the project and supporting documentation to determine if the RFR was submitted correctly. If the request passes the initial assessment, the IAA will assign a GA and advance the Request to Document Review. If not, the IAA will return the RFR to the Subrecipient with a note detailing the reason(s). An overview of the IA process is shown below.



RFR - Initial Assessment Stage Process Diagram

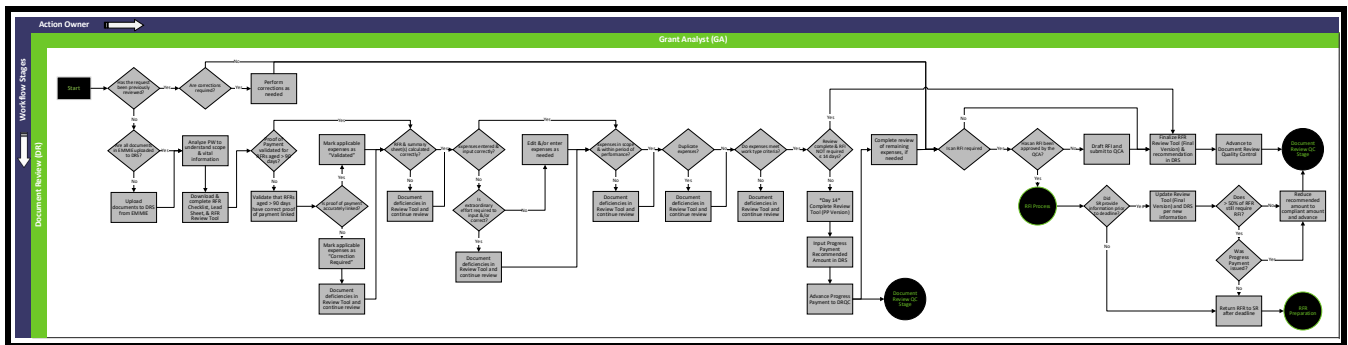
When a RFR is received, the IAA will:

- 1) Perform a cursory review of the PW and RFR it is ready for Document Review. If the IAA finds that an RFR is insufficiently documented to be assigned for Document Review, the IAA returns the RFR to the Subrecipient with notes detailing the issue(s) unless otherwise stated. The IAA will verify the following:
 - a) The RFR expenses are associated with obligated costs and not a pending PW version:
 - i) If all expenses submitted in the RFR are in the SOW of an amendment in progress, IAA will return the RFR to RFR Preparation; or
 - ii) If only a portion of the expenses within the RFR are in the SOW of an amendment in progress, IAA will assign the RFR to a GA for review. The expenses that are not contained within a version will be reviewed. The expenses that are within a version will be disapproved and deemed allowable later (pending version obligation and expense resubmittal in a new RFR);
 - b) The Requested Amount section in the DRS RFR Details section is populated; and
 - c) The RFR Form is uploaded, signed, and can be accessed in DRS;
- 2) Determine GA availability;
- 3) Assign the RFR to the selected GA in DRS; and
- 4) Advance the RFR to the Document Review stage.

3. Document Review Stage

Once the RFR has passed IA, the assigned GA will review the PW and RFR documentation to determine if the required RFR documentation has been provided and is accurate, valid, and complete. The GA will also determine if the claimed costs are within the PW SOW, and that the expenses were incurred in accordance with applicable regulatory and program rules and used for their intended purpose.

After 14 days in DR (or less if review is complete), the GA will enter the amount found to be documented and compliant to date and submit the PP and RFR Review Tool (PP Version) to DRQC. After submission of the PP, the GA will continue reviewing the remaining expenses. If additional information is required, the GA will draft an RFI and advance the RFR to the QCA for review and approval prior to submitting the RFI to the Subrecipient. After the RFI has been resolved or has expired, the GA will input the final recommended amount and advance the RFR and RFR Review Tool (Final Version) to DRQC. An overview of the DR process is shown below.



RFR – Document Review Stage Process Diagram

When an RFR is initially advanced to Document Review, the GA will:

- 1) Determine if the RFR was correctly and accurately submitted by verifying the following:
 - a) Expenses on each summary sheet of the RFR are calculated correctly;
 - b) Totals on the RFR Form align with the summary sheet totals;
 - c) Expenses listed on the RFR summary sheets are input as transactions in DRS:
 - i) If majority of expenses are not DRS transactions, return the RFR to IA for Subrecipient resolution;
- 2) Expense information as entered in DRS is correct and that categories, vendor names, invoice numbers, and values are input per transaction;
 - a) Correct expense information, if needed;
- 3) Validate proof of payment for previous RFR(s):
 - a) Review proof of payment linked to previously approved RFRs that has not been marked as “Validated” in DRS and has aged over 60 days in the Payment Complete stage:
 - i) Mark the expense that the proof of payment has been linked to as “Validated,” if the proof of payment is correctly linked;
 - ii) Mark the expense that the proof of payment has been linked to as “Correction Required,” if the proof of payment is incorrectly linked; and
 - iii) Include expenses marked as “Correction Required” in draft RFI;
- 4) Check EMMIE and DRS to determine if the current PW version (90-91 Form) is uploaded to DRS:
 - a) Upload current PW version to DRS, if needed;

- 5) Analyze PW to understand the following:
 - a) Respective disaster and applicable rules and regulations;
 - b) Category of work (emergency vs. permanent);
 - c) SOW;
 - d) Period of performance;
 - e) Obligated amounts by damage location and expense type; and
 - f) PW Cost Line items;
- 6) Perform 14-day PP Review:
 - a) Determine order of expense review to maximize potential PP (e.g., prioritize high value expenses associated with previously approved contracts found to be fully documented and compliant, etc.);
 - b) Utilize the RFR Review Tool to document review results, including submitted required information, missing documentation, procurement requirements and process, compliance deficiencies, notes, etc. as review is performed;
 - c) If missing documentation or information is identified during an expense review, document the deficiency in the RFR Review Tool and draft RFI list, stop review of the expense, and begin review of the next;

Note: To maximize the number of expenses reviewed within 14 days, **when a critical deficiency that affects the allowability of the full expense amount is identified, such as a missing invoice, the GA will document the issue in the RFR Review Tool and begin reviewing the next expense.** Once the PP review period has expired, the GA will complete review of the remaining expenses, including expenses passed over due to a deficiency to ensure additional deficiencies are identified prior to RFI issuance.

If a non-critical deficiency is identified, such as an invoiced rate that exceeds a contracted rate, the GA will note the deficiency and continue the expense review, unless in the GA's best judgement, the PP review period would be better utilized reviewing another expense.

- d) Verify the following for **all expense types**:
 - i) [Required RFR documents](#) have been provided and are complete, accurate, and signed (if required);
 - ii) Expenses are within the approved PW SOW;
 - iii) Expenses are within the approved Period of Performance as identified in the PW and applicable time extension approvals; and
 - iv) Expenses have not been previously paid;
- e) Validate the following for all **procured resources (Contract Work, Rental Equipment, and Purchased Materials)** by completing a Vendor Analysis tab in the RFR Review Tool for each vendor:

Note: If expenses have been requested in the current RFR that are associated with a previously reviewed contract, copy the previous procurement analysis into current RFR Review Tool and update with any additional information, as necessary.

- i) Vendor is not on the [Federal Debarment List](#):
 - (1) Whether search of the Federal Debarment List yields results or not, upload a copy of the search results to the RFR in DRS using the Signed Contracts and Purchase Order Type;
 - (2) If the Vendor is debarred, the cost associated with that vendor will be reduced from the RFR recommended amount;
- ii) Contracts and the amendments are registered in the [Office of the Puerto Rico Comptroller](#), if applicable:
 - (1) Upload a copy of the search results to the RFR in DRS using the Signed Contracts and Purchase Order Type;
- iii) Most restrictive Procurement Method was used:
 - (1) Based on the contract amount, determine the method of procurement that applies based on Federal procurement regulations in 2 CFR § 200.320 (see [Appendix 7-J: Federal Procurement Requirements](#) for additional information);
 - (2) Review the Subrecipient's Procurement Policy and evaluate if the Subrecipient or Federal regulations have the strictest standards for procurement of applicable contract(s);
 - (3) Determine if the selected method of procurement is compliant with the most restrictive requirement between the Subrecipient Policy and Federal regulation;
 - (a) If not, determine if the rationale for the method of procurement was provided and if it is reasonably justified;
 - (b) If the most restrictive method was not selected and no rationale or an insufficient rationale was provided, include a procurement justification memo in the RFI draft;
 - (4) Determine if a cost analysis is required according to [Appendix 7-H: Required Procurement and Contract Documentation](#);
- iv) Federal contract requirements were met:
 - (1) Determine what contract type was utilized and if it is an allowable type:
 - (a) Cost plus a percentage of cost and percentage of construction cost methods of contracting must not be used;
 - (b) If a Time and Materials type contract was used, the following is required:
 - (i) "Not to exceed" cost; and
 - (ii) Reasonable justification for use of Time and Materials contract;
 - (2) For construction contracts exceeding the SAT, confirm bonding requirements meet or exceed Federal minimum standards in 2 CFR § 200.326; and
 - (3) Verify that the contract or purchase order includes the required Federal clauses in accordance with 2 CFR § 200.327.
- f) Validate the following for Procured Resource invoices/Payment Applications (Pay Apps):
 - i) Work performed was within the contract, including amendments, period of performance;
 - ii) Work performed was within the contract SOW;
 - iii) Invoice is an actual invoice and not a statement, quote, purchase order, etc.;
 - iv) Invoice is complete with supporting documentation, if applicable;

- v) Expense requested amount does not exceed the invoiced amount;
 - vi) Expense requested amount does not include held retainage, if the invoice shows held retainage and/or if the contract requires that retainage be held;
 - vii) Rates charged on the invoice are in agreement with the contract and procurement;
 - viii) Invoices are mathematically correct;
 - ix) Invoices include the GPR-required conflict of interest statement (for government entities only);
 - x) For Pay Apps, the “Less Previous Certificates for Payment” amount matches the “Current Payment Due” on previous Pay App; and
 - xi) Vendor expenses, including previously paid expenses, do not exceed the contracted amount;
- g) Validate the following for **Inventory Materials**:
- i) Material summaries are mathematically correct; and
 - ii) Cost justification provided appears reasonable;
- h) For **FAL and FAE expenses** validate the following utilizing the FAL/FAE tab(s) in the RFR Review Tool:
- i) No Personally Identifiable Information (PII) has been provided. PII includes non-public information that could identify individuals, such as personal bank account numbers, SSNs, home addresses, and driver’s license numbers:
 - (1) If documentation submitted includes a form of PII, the PII must be redacted by the analyst if only minor instances occur or returned to the Subrecipient to be redacted;
 - ii) FAL & FAE Summary calculations are mathematically correct;
 - iii) FAL & FAE documents are signed (signature only required on first page);
 - iv) Timesheet for each FAL employee and day on the summary sheet has been provided;
 - v) Hours reported on the timesheet match or exceed the hours reported on the FAL summary sheet and FAE operator hours:
 - (1) If major rework is needed, the RFR will be returned to the Subrecipient for review and correction; and
 - (2) If only minor rework or calculation issues are identified:
 - (a) Notate errors in the RFR Review Tool; and
 - (b) Reduce the recommended amount associated with the errors;
 - vi) Equipment rates claimed are consistent and allowable:
 - (1) Claimed equipment rates are equal to or less than the FEMA equipment rates, if Subrecipient elects to use their own; and
 - (2) If FEMA equipment rates are claimed:
 - (a) Correct FEMA equipment cost codes were selected; and
 - (b) Rates claimed are correct for the associated FEMA equipment cost codes and year;
 - vii) FAL hours and rates claimed are allowable:
 - (1) Regular hourly rates claimed on the FAL Summary are in accordance with the pay registers;

- (2) Fringe benefit rates claimed on the FAL Summary are in accordance with the fringe benefit sheet;
 - (3) Overtime labor hours and rates are claimed in accordance with the Subrecipient's pre-disaster overtime policy; and
 - (4) Labor hours claimed are consistent with FEMA policy;
 - viii) Pay registry supports the identified employees claimed on the summary were paid for the hours worked; and
 - ix) For **Management Cost (MC)** or **Direct Administrative Cost (DAC)** expenses, in addition to the applicable expense type validation, validate that the activity descriptions tie to tasks allowed under applicable FEMA MC or DAC Policy;
- 7) On the last business day prior to the end of the PP Review Period (or prior if review is completed earlier or only expenses that require additional information remain):
- a) If a PP can be recommended:
 - i) Complete the RFR Review Tool (PP Version):
 - (1) Input all required and applicable information;
 - (2) Lead Sheet recommendation summary should:
 - (a) Show the obligated PW values per cost category, previous disbursements per cost category, the current RFR requested value, and the current RFR recommended value; and
 - (b) Include a note that clearly identifies the requested amount, minus any reductions, reduction reason, and the disbursement recommendation;
 - ii) Enter DRS notes at the expense level that identify the reduction reason, if expense reductions are taken;
 - iii) Input recommended amount values and cost shares in DRS;

Potential Reduction Reasons

The recommended amount should be reduced if one or more of the following apply:

- Contract was improperly procured without sufficient justification and no cost analysis;
- Amount requested exceeds the obligated amount;
- Amount requested is not obligated;
- Expenses exceed the total cost obligated or for a specific category;
- Unsubstantiated RFA or EFID balance is greater than the current request;
- Invoices do not include the conflict of interest statement required by GPR law;
- Work performed is not within the SOW (include cost as Allowable Later (pending PW amendment));
- Invoices are not in accordance with the contract rates, SOW, and/or Period of Performance;
- Work performed or cost is not allowable per FEMA policy; and/or
- Following an RFI, requested information was not provided.

- iv) Transmit RFR Review Tool (PP Version) to the QCA; and
 - v) Submit PP to DRQC;
- b) If \$0.00 can be 100% validated within the PP timeframe. No PP will be initiated;

- 8) Complete review of the remaining expenses:
 - a) Complete review of the remaining expenses and partially reviewed expenses;

Note: Review procedures for the expenses remaining after the PP Review period are identical to the PP Review procedures, except expenses should undergo complete review without bypassing due to a critical deficiency.

- b) If an RFI is required:
 - i) Confirm missing documents are not in EMMIE;
 - ii) Finalize RFI list; and
 - iii) Draft RFI notification in accordance with standard template;

Note: For additional information on the RFI process, including supplementary DR procedures for when the RFI draft has been approved by the QCA and returned to DR, see [Appendix 7-I: RFI Process](#).

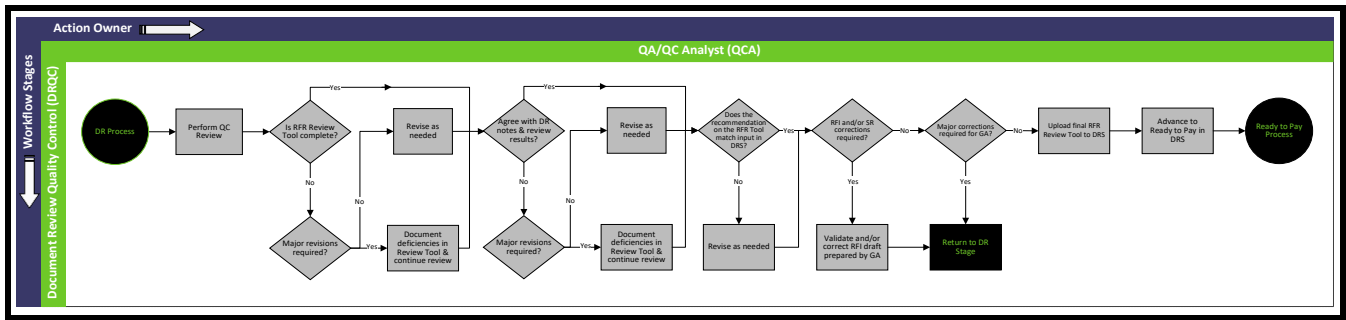
- c) Complete the RFR Review Tool (Final Version):
 - i) Update the PP Version to include all required and applicable information;
 - ii) Lead Sheet recommendation summary should:
 - (1) Show the obligated PW values per cost category, previous disbursements per cost category, the current RFR requested value, and the current RFR recommended value (including PP recommended amount); and
 - (2) Include a note that clearly identifies the requested amount, minus any reductions, reduction reason, and the disbursement recommendation;
- d) Enter DRS notes at the expense level that identify the reduction reason, if expense reductions are taken;
- e) Input recommended values and cost shares in DRS;

Note: The RFR Recommended Amount will include the PP Recommended Amount. However, the actual RFR Final Payment should equal the “Finance Recommended Amount,” which is the Recommended Amount reduced by the PP Recommended Amount, the non-Federal cost share, insurance deductions (if applicable), and any unreconciled RFA or EPID balances.

- f) Transmit RFR Review Tool (Final Version) and RFI draft, if needed, to the QCA; and
- g) Advance RFR to Document Review Quality Control.

4. Document Review Quality Control Stage

In this stage, the COR³ QCA performs a quality assurance review of the GA’s work to validate the recommended payment amount, Request for Information (RFI) draft notification (if applicable) and completed RFR Review Tool(s). The QCA will review the PP, if applicable, and the FP for each RFR; however, the same procedures apply to both payments. The DRQC process flow is shown in the following diagram.



RFR – Document Review Quality Control Stage Process Diagram

When an RFR is initially advanced to DRQC, the QCA will:

- 1) Review the RFR Review Tool and DRS inputs to verify the following:
 - a) RFR Review Tool is complete, as applicable;
 - b) Recommendation in DRS and the RFR Review Tool match;
 - c) Recommended fields are populated per transaction item in DRS;
 - d) Procurement and contract analysis are accurate; and
 - e) Expenses were incurred in compliance with Federal and GPR requirements and applicable terms and conditions of the award;
- 2) If an RFI is required:
 - a) Review RFI draft for accuracy and completeness;
 - b) Correct RFI draft as needed; and
 - c) Return Payment Request to DR;
- 3) If errors are found during the review:
 - a) Correct minor errors as needed; and
 - b) Return Payment Request to DR for major revisions after review is complete;
- 4) If no major errors are found and no RFI is required:
 - a) Upload RFR Review Tool to DRS; and
 - b) Advance payment to Ready to Pay.

5. Ready to Pay Stage

The actions performed in the RTP stage are performed by COR³ Finance and are covered in the [Cash Management Procedures](#) section.

Small Project Payment

Small Project Payment Overview

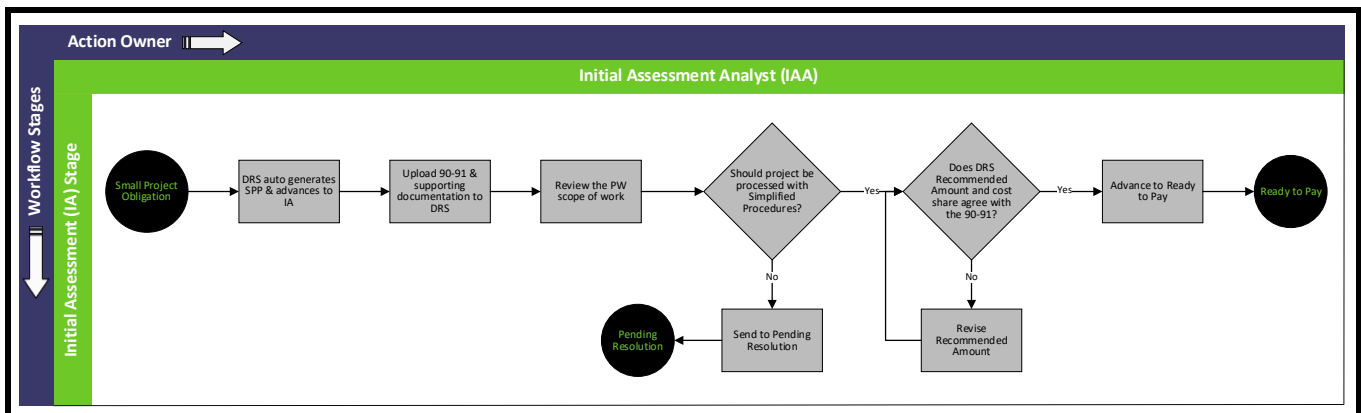
FEMA obligates Small Projects based on actuals and/or cost estimates, and they do not generally adjust funding based on actual incurred costs. Expense supporting documentation is not required by FEMA; therefore, COR³ disburses funding to Subrecipients for Small Projects without a Payment Request Form or submittal of expense documentation. Upon obligation, initial or amendment approval, DRS generates a Small Project Payment Request. COR³ performs basic quality control activities and advances the payment to Ready to Pay.

The progression of a SPP assuming reviewers do not encounter any special situations and/or exceptions during their assessments is shown below.



Small Project Payment Process Flow

An overview of the SPP process is shown in the diagram below.



Small Project Payment Process Diagram

Small Project Payment Detailed Process Steps

1. Initial Assessment Stage

Once the SPP is auto-generated in DRS, the IAA performs a cursory review to determine if the payment meets SPP criteria. The IAA will:

- 1) Upload the current PW (Form 90-91) to the project in DRS;
- 2) Review the PW for obligated Federal cost share and SOW;
- 3) Determine if the project is an exception and should not be processed with Simplified Procedures. If any of the following apply, send SPP to Pending Resolution and notify the COR³ GM:
 - a) Large Project;
 - b) Management Cost project; or
 - c) Accelerated debris removal;
- 4) Determine if the project is in Closeout:
 - a) If the SPP is associated with a PW Closeout Version, send it to Pending Resolution; and

- b) The COR³ Closeout Specialist will approve the payment for Ready to Pay pending review to ensure the closeout version accurately reflects the agreed upon costs;
- 5) For Private Non-Profits (PNPs), verify banking information is documented in DRS:
 - a) If the information is not in DRS, send it to Pending Resolution and notify the applicable COR³ Sector Lead to request the information; and
- 6) Verify the recommended amount agrees with the obligated Federal cost share stated in the PW:
 - a) If it does not agree, send to Pending Resolution and notify the GM; or
 - b) If it does agree, advance to Ready to Pay.

2. Ready to Pay Stage

The actions performed in the RTP stage are performed by COR³ Finance and are covered in the [Cash Management Procedures](#) section.

Expedited Funding Initial Disbursement

Expedited Funding Initial Disbursement Overview

FEMA may provide expedited funding for Large Emergency Work Projects (Category A or B). If FEMA designates the project as an Expedited Funding Project, they will fund the initial PW (Version 0) at 50 percent of the Federal share of the estimated project cost. Utilizing the EFID process, COR³ will disburse the full Federal share of the initial obligation as shown in the graphic below.



COR³'s process to disburse payments for Expedited Funding Projects is a combination of an initial auto-generated payment (Expedited Funding Initial Disbursement) followed by RFR submittals for validation purposes. The initial payment is auto-generated in DRS for 100% of the obligated Federal share of the initial version, which must subsequently be substantiated through Subrecipient-submitted RFRs to reconcile the initial estimate with actual incurred costs. If FEMA obligates additional funding through a PW amendment after reconciling the Subrecipient's initial estimate, the Subrecipient must submit a Payment Request through the standard RFA⁵ or RFR procedures to access the additional funding.

Note: If FEMA obligates a project amendment to adjust the initial obligation due to an inadvertent error or cost share adjustment, COR³ will manually initiate an additional disbursement to account for the revision. The additional disbursement will be treated as an extension of the initial disbursement and will require the same substantiation prior to further payment approvals.

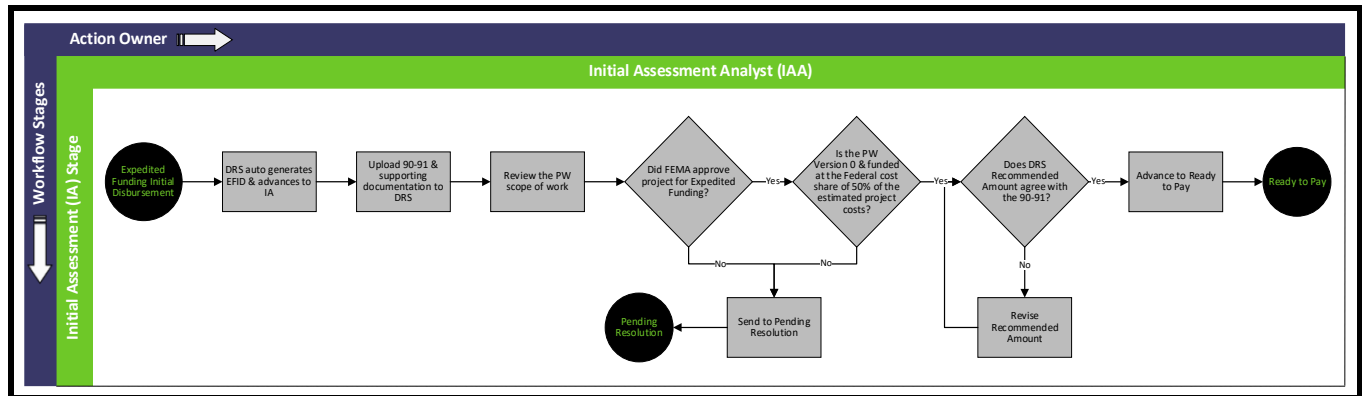
The progression of a submitted EFID assuming reviewers do not encounter any special situations and/or exceptions during their assessments is shown below.



⁵ An RFA may only be requested once the initial auto-generated Expedited Funding Initial Disbursement has been fully substantiated through RFR submittals.

Expedited Funding Initial Disbursement Process Flow

An overview of the EFID process is shown in the diagram below.



Expedited Funding Initial Disbursement Process Diagram

Expedited Funding Initial Disbursement Detailed Process Steps

1. Initial Assessment Stage

Once the EFID is auto-generated in DRS, the IAA performs a cursory review to determine if the payment meets EFID criteria. The IAA will:

- 1) Upload the current PW (Form 90-91) to the project in DRS;
- 2) Review the PW for the obligated Federal share and SOW;
- 3) Determine if the project is designated for Expedited Funding by FEMA:
 - a) If not, send to Preparation and notify the GM;
- 4) Verify that the project is obligated in its initial version (V(0));
 - a) If the project has been amended, determine if it is a supplementary EFID caused by a cost share adjustment or inadvertent error; and
 - b) If the project has already received an EFID and the PW amendment is NOT for a cost share adjustment or inadvertent error, send to Pending Resolution and notify the GM; and
- 5) Verify the recommended amount agrees with the obligated Federal share stated in the PW:
 - a) If it does not agree, send to Pending Resolution and notify the GM; or
 - b) If it does agree, advance to Ready to Pay.

2. Ready to Pay Stage

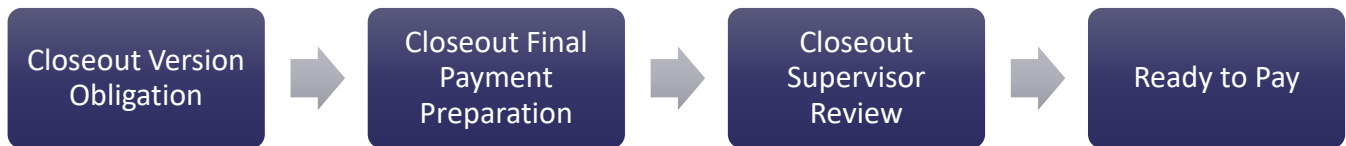
The actions performed in the RTP stage are performed by COR³ Finance and are covered in the [Cash Management Procedures](#) section.

Closeout Final Payment Request

Closeout Final Payment Request Overview

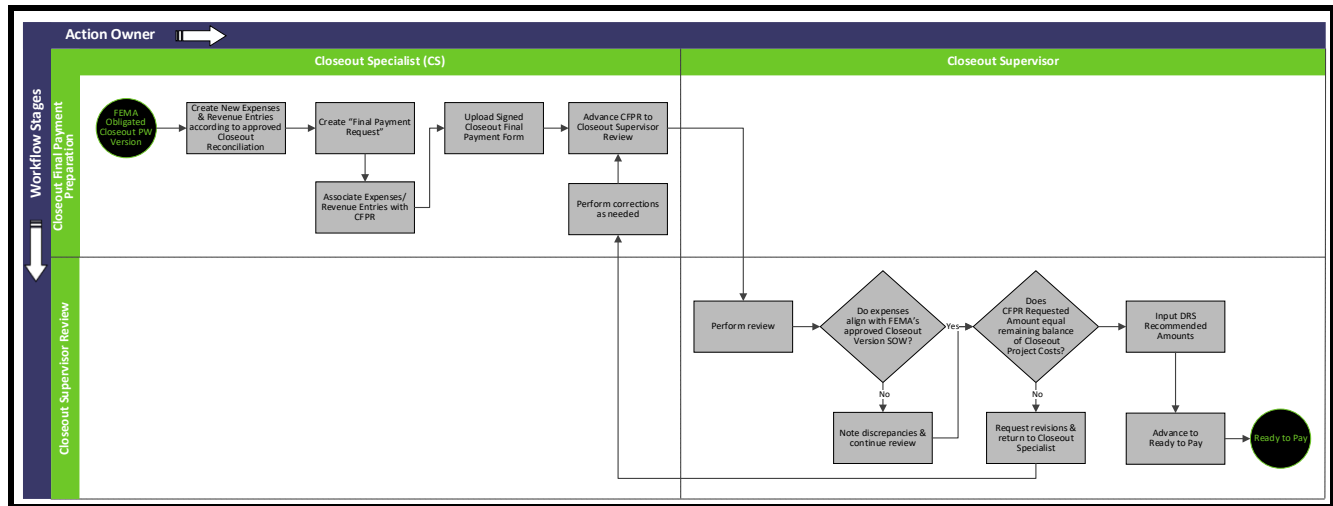
During the Closeout Process, Large Projects (not including fixed costs projects) are reconciled based on actual incurred costs. Additionally, fixed and non-fixed cost projects may be increased or decreased by FEMA depending on various factors and approved in a final PW Closeout Amendment (see DRFFMG; Chapter 12 – Closeout). Based on the final approved costs, COR³ will reconcile the project payments to date and corresponding expenses in DRS with the final obligated project cost through a CFPR. The CFPR may be negative or positive depending on the previously paid expenses and the final approved project costs. A negative CFPR would result in the initiation of the [Improper Payment Recoupment Process](#).

The progression of a CFPR assuming reviewers do not encounter any special situations and/or exceptions during their assessments is shown below.



Closeout Final Payment Request Process Flow

An overview of the CFPR process is shown in the diagram below.



Closeout Final Payment Request Process

Closeout Final Payment Request Detailed Process Steps

1. Closeout Final Payment Preparation

Any time after the project passes the Closeout Specialist Review stage in the DRS Project Closeout Workflow, the CS may begin preparing the CFPR. However, the CFPR will not be submitted until FEMA obligates the Closeout PW Version. To create the CFPR, the CS will:

- 1) Upload the final Closeout PW Version to the PW level folder;
- 2) Create new expense or revenue entries to reconcile the previously paid expenses with the final obligated Closeout Version SOW and cost:
 - a) Select "Add Expense Entry" or "Add revenue Entry" under the PW Tab;
 - b) Enter expense details; and

- c) Select "Add Document" and upload expense documentation;
- 3) Create CFPR in DRS:
 - a) Select "Closeout Final Payment" from the Closeout tab;
 - b) Select "Closeout Final Payment" Request Type; and
 - c) Assign applicable expenses;
- 4) Upload Signed Closeout Final Payment Form:
 - a) Select "Add Documents" under Request Details; and
 - b) Upload Signed Closeout Final Payment Form; and
- 5) Submit CFPR to Closeout Supervisor Review:
 - a) Select "Submit Request to Closeout Supervisor Review" under the Request Details tab.

2. Closeout Supervisor Review

When a CFPR is advanced to Closeout Supervisor Review, the Closeout Supervisor will:

- 1) Review the CFPR, PW Closeout Version, and DRS inputs to verify the following:
 - a) DRS expense requested amounts align with the Closeout Version;
 - b) DRS expenses align with the Closeout Version SOW; and
 - c) DRS requested amount equals the remaining balance of the final approved PW Project Costs;
- 2) If errors are found during the review:
 - a) Correct minor errors as needed; or
 - b) Return CFPR to CS for major revisions after review is complete; and
- 3) If no errors are found during the review:
 - a) Input Recommended Amount(s) for each expense in DRS; and
 - b) Advance the CFPR to Ready to Pay.

3. Ready to Pay Stage

The actions performed in the RTP stage are performed by COR³ Finance and are covered in the [Cash Management Procedures](#) section.

Cash Management Policy

- 1) COR³ will maintain separate disbursement and depository accounts for each declared disaster (i.e., DR 4336 and DR 4339) and grant type (e.g., FEMA PA, HUD CDBG-DR, etc.);
- 2) Subrecipient payments will comply with applicable Treasury-State Cash Management Improvement Act (CMIA) agreements;
- 3) Subrecipient payments will comply 2 CFR § 200.305 “Federal Payment”;
- 4) COR³ and its Subrecipients must maintain advance payments of Federal awards in interest-bearing accounts, unless the following apply:
 - a) COR³ or Subrecipient receives less than \$250,000 in Federal awards per year;
 - b) The best reasonably available interest-bearing account would not be expected to earn interest in excess of \$500 per year on Federal cash balances; or
 - c) The depository would require an average or minimum balance so high that it would not be feasible within the expected Federal and non-Federal cash resources;
- 5) Interest earned amounts up to \$500 per year may be retained by COR³ and its Subrecipients for administrative expense. Any additional interest earned on Federal advance payments deposited in interest-bearing accounts must be remitted annually to the Department of Health and Human Services Payment Management System (PMS);
- 6) COR³ will utilize daily batch processing of approved payments for Federal fund drawdowns from Federal awarding agencies;
- 7) Subrecipient payments may not exceed the remaining balance of the project’s obligated Federal cost share amount;
- 8) Recipient and Subrecipient cash flows and budgets for drawdowns, advance payments, or reimbursements must be consistent with realistic cash needs;
- 9) Subrecipients will refund to COR³ any payments funded by GPR or a Federal entity through COR³ that has been determined by COR³, Department of Homeland Security (DHS), FEMA, and/or another Federal oversight authority to be an improper payment;
- 10) Federal funds refunded to COR³ by a Subrecipient will be subsequently returned to the Federal Awarding Agency through the Federal Department of Health and Human Services Payment Management System (PMS);
- 11) If a Subrecipient fails to refund an improper payment within 30 days of the Notice of Collection, COR³ Finance will notify the COR³ Chief Compliance Officer, who will determine an appropriate enforcement action, if any. Enforcement action may include one or more of the following:
 - a) Garnish reimbursement payments owed to the Subrecipient;
 - b) Request that the Federal Awarding agency initiate suspension or debarment proceedings;
 - c) Request that the Federal Awarding agency withhold further Federal awards for the project or program;
 - d) Request that the Federal Awarding agency withhold future Federal awards from future disasters;
 - e) Take other remedies that may be legally available; and/or
 - f) Increase the Subrecipient's Risk Ranking; and
- 12) Any exception to these policies must be:

- a) Properly justified and documented; and
- b) Approved by COR³'s Chief Financial Officer.

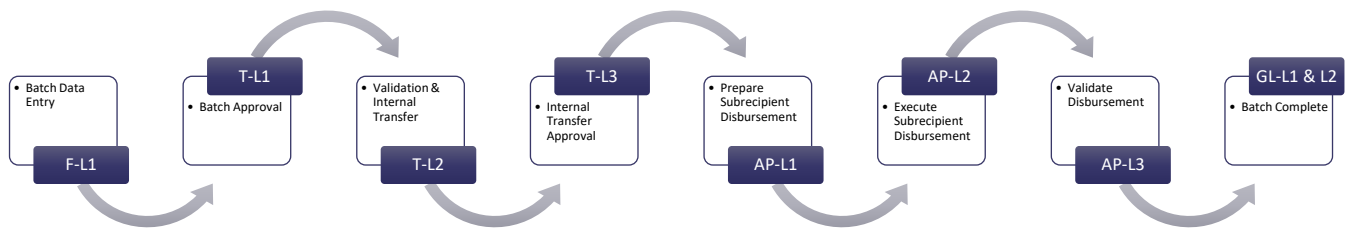
Cash Management Procedures

Cash Management Introduction

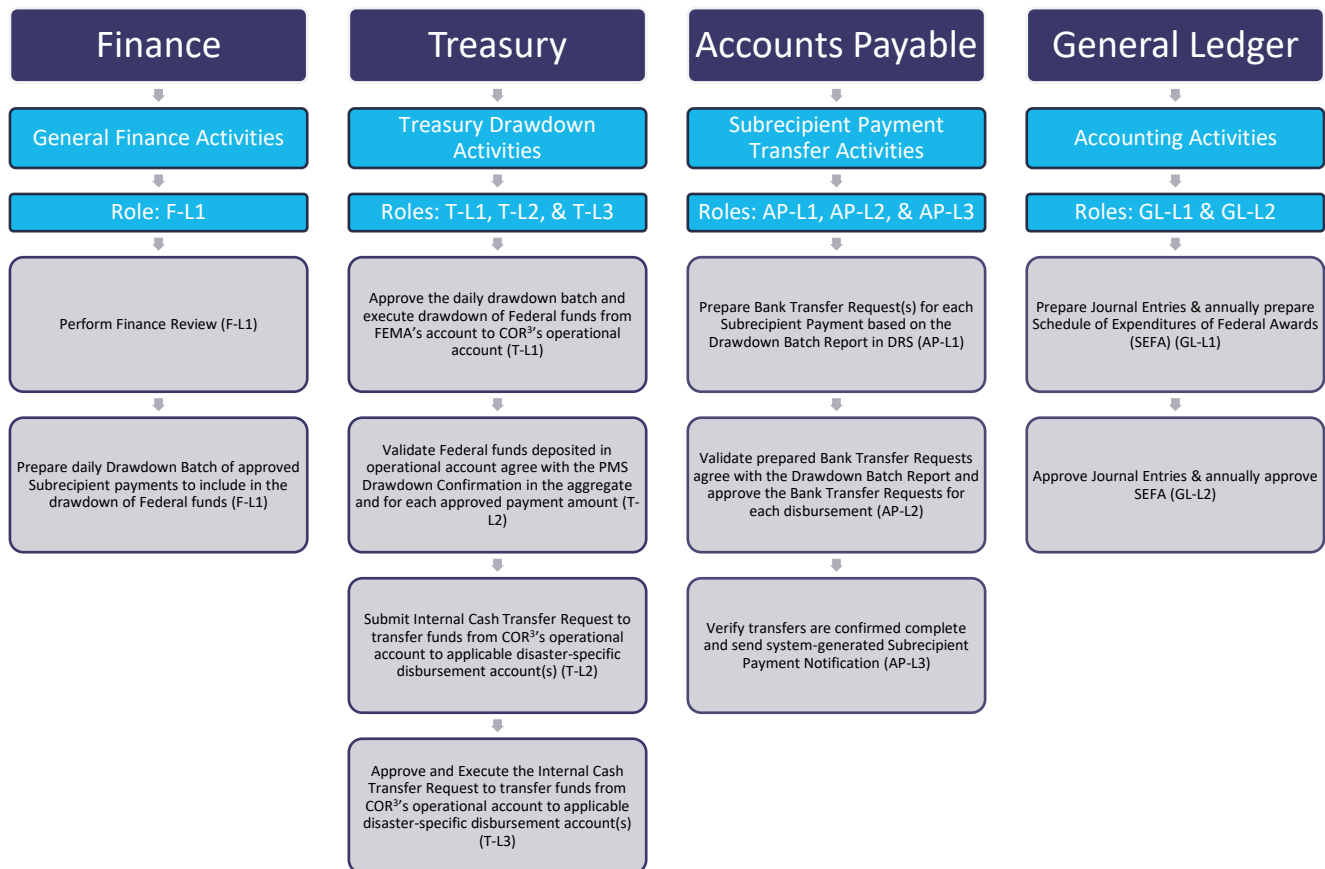
The Cash Management Procedures cover the technical processes that COR³ Finance utilizes to drawdown Federal funds and disburse payment to the Subrecipient after the Payment Request has been approved. After the Finance L1 performs a final review, approved Payment Requests are batched together daily for drawdown from the Federal Payment Management System (PMS). Each batch is tracked through a separate DRS workflow, the Payment Batch Workflow, until payment is complete. Additionally, while the Payment Batch Workflow is active, the status of each individual Payment Request is shown as “Batch in Progress” in DRS.

Cash Management Process Overview

The progression of a Payment Batch assuming reviewers do not encounter any special situations and/or exceptions during their assessments is shown below.

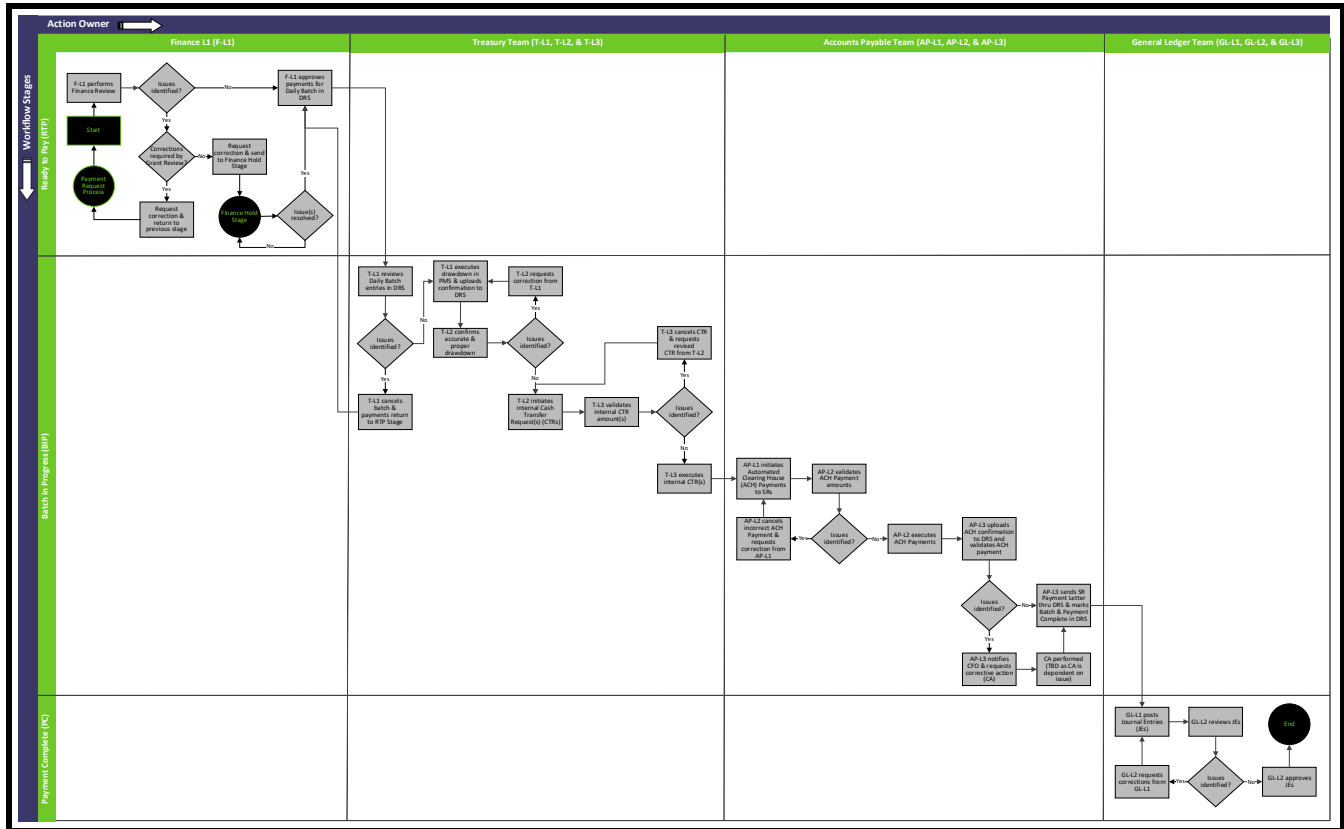


The assigned DRS role(s) responsible for the actions performed within each stage are designated based on the category their duties fall into and numbered in sequential order of responsibilities as shown below.



Cash Management Process Flow

An overview of the Cash Management process is shown in the diagram below.



Cash Management Process Diagram

Cash Management Detailed Process Steps

1. Ready to Pay Stage

When a Payment Request is received, the Finance L1 (F-L1) will:

- 1) Perform a Finance Review by verifying the following:
 - a) Subrecipient payment information is in the system;
 - b) Subrecipient has no compliance restrictions in effect that prohibit payment;
 - c) Available obligated funding; and
 - d) Cost share is correct;
- 2) If a deficiency is identified:
 - a) Return to Grant Review if the issue pertains to the Payment Request review; or
 - b) Activate a Finance Hold and resolve; and
- 3) If no deficiency is identified, approve the Payment Request for batch entry.

2. Batch in Progress Stage + Payment Batch Workflow

After the Payment Request is approved for batch entry, its status will update to “Batch in Progress.” After batch entry, the approved payments will proceed together through the Payment Batch Workflow until payment is

complete. This section describes the Payment Batch Workflow processes in sequential order subdivided by the associated Payment Batch Workflow stage.

2.1 Batch Data Entry

Daily, the F-L1 will create a batch of approved Payment Requests for drawdown. The F-L1 will:

- 1) Create a drawdown batch that includes the Payment Requests approved each day; and
- 2) Advance the batch workflow to Batch Approval in DRS.

2.2 Batch Approval

After a batch is created, the Treasury L1 (T-L1) will:

- 1) Review the daily drawdown batch in DRS:
 - a) If a deficiency is identified, return the batch to the previous stage in DRS and request corrective action;
or
 - b) If no deficiency is identified, approve the batch for drawdown;
- 2) Execute drawdown in the Payment Management System (PMS);
- 3) Upload and enter the PMS confirmation in DRS; and
- 4) Advance batch workflow to Validation & Internal Transfer in DRS.

2.3 Validation & Internal Transfer

When the batch enters the Validation & Internal Transfer stage, the Treasury L2 (T-L2) will:

- 1) Verify receipt of drawdown funds in the appropriate depository account;
- 2) Validate funds deposited agree with the PMS Drawdown Confirmation in the aggregate and for each approved Payment Request amount:
 - a) If a deficiency is identified, return the batch to the previous stage in DRS and request corrective action;
or
 - b) If no deficiency is identified, confirm validation in DRS; and
- 3) Initiate Cash Transfer Request (CTR) from operational bank account to disaster-specific account(s).

2.4 Internal Transfer Approval

When the batch enters the Internal Transfer Approval stage, the Treasury L3 (T-L3) will:

- 1) Validate amount of the CTR agrees with the drawdown confirmation:
 - a) If a deficiency is identified, return the batch to the previous stage in DRS and request corrective action;
or
 - b) If no deficiency is identified, confirm validation in DRS; and
- 2) Execute Cash Transfer Request from the depository account to the applicable disbursement account(s).

2.5 Prepare Subrecipient Disbursement

When the batch enters the Prepare Subrecipient Disbursement stage, the Accounts Payable L1 (AP-L1) will:

- 1) Initiate Automated Clearing House (ACH) Payments to Subrecipients based on the drawdown batch report in DRS.

2.6 Execute Subrecipient Disbursement

When the batch enters the Prepare Subrecipient Disbursement stage, the Accounts Payable L2 (AP-L2) will:

- 1) Validate prepared disbursements agree with the drawdown batch report:
 - a) If a deficiency is identified, return the batch to the previous stage in DRS and request corrective action;
or
 - b) If no deficiency is identified, confirm validation in DRS; and
- 2) Approve ACH payments from disbursement account.

2.7 Validate Disbursement

When the batch enters the Prepare Subrecipient Disbursement stage, the Accounts Payable L3 (AP-L3) will:

- 1) Verify transfers are confirmed complete;
 - a) If a deficiency is identified, return the batch to the previous stage in DRS and request corrective action;
or
 - b) If no deficiency is identified, upload ACH Transfer Confirmation to DRS;
- 2) Send the Subrecipient Payment Notification through DRS;
- 3) Advance the Payment Batch Workflow to the Batch Complete stage; and
- 4) Advance the Payment Request Workflow to the Payment Complete stage.

3. Payment Complete Stage

After the payment is complete:

- 1) The General Ledger L1 (GL-L1) will:
 - a) Prepare applicable journal entries in COR³'s accounting system from DRS transaction history; and
 - b) Prepare Schedule of Expenditures of Federal Awards (SEFA) annually;
- 2) The General Ledger 2 (GL-L2) will:
 - a) Review and approve journal entries in COR³'s accounting system; and
 - b) Review and approve SEFA annually.

4. Improper Payment Recoupment

In the event of an improper payment, COR³ Finance will:

- 1) Notify the Subrecipient in writing and request repayment within 30 days;
- 2) Issue a Notice of Collection to the Subrecipient if not repaid within 30 days of the initial notification;
- 3) Notify the COR³ Chief Compliance Officer if not repaid within 30 days of the Notice of Collection;
- 4) Work with COR³ Compliance to determine an appropriate enforcement action, if needed;
- 5) When the improper payment is refunded to COR³:
 - a) Transfer funds to the Federal awarding agency through PMS in a timely manner; and
 - b) Document refund of improper payment by preparing a "Return Funds" Payment Request in DRS.

Appendices

Appendix 7-A: Policy and Procedures Specific Terms and Acronyms

Term	Acronym	Definition
Certified Labor Summary	N/A	Applicable regulations require the collection of a Certified Labor Summary (time records) that would accurately reflect the total work performed, encompassing both federally-assisted and all other activities compensated by the non-Federal entity on an integrated basis. Thus, an allocation of time spent on supporting Federal Award work would be available to confirm calculation of a portion of salary allocable to Federal Award. Certified Labor Summary should be signed (electronically or manually) by an authorized representative. Such time records should coincide with one or multiple pay periods.
Disaster Recovery Federal Funds Management Guide	DRFFMG	GPR’s policies and procedures to manage Federal awards.
Drawdown	N/A	The receiving of funds by the Recipient from a Federal award.
Emergency Management Mission Integrated Environment	EMMIE	FEMA’s grant management system of record.
Emergency Work	EW	Work that must be done immediately to save lives, protect improved property, protect public health and safety, or avert or lessen the threat of a major disaster.
Equipment	N/A	Tangible personal property, including information technology systems, having a useful life of more than 1 year and a per-unit acquisition cost that equals or exceeds the lesser of the capitalization level established by the non-Federal entity for financial statement purposes, or \$5,000.
Federal Share	N/A	The portion of the total project costs that are paid by Federal funds.
Force Account	FA	A Subrecipient/Recipient’s own labor forces and equipment.
Fringe Benefits	N/A	A percentage of the actual wages that pays for employee benefits.
Funds Obligation	N/A	The process by which the federal share of the approved amount (grant) is made available to the Recipient.
Large Project	N/A	A project for which the final obligated (Federal and non-Federal) amount is equal to or greater than the annually adjusted project cost threshold. The applicable threshold is the one implemented at the time of the disaster declaration.
Management Cost	MC	Any indirect cost, any direct administrative cost, and any other administrative expense associated with a specific project under a major disaster or emergency.
Material	N/A	See Supply.




Mutual Aid Agreement	N/A	Mutual aid agreements establish the terms under which one party provides resources—personnel, teams, facilities, equipment, and supplies—to another party.
Period of Performance	N/A	The time during which the non-Federal entity may incur new obligations to carry out the work authorized under the Federal award.
Permanent Work	N/A	Restorative work that must be performed through repairs or replacement to restore an eligible facility based on its pre-disaster design and current applicable codes and standards.
Private Non-Profit	PNP	Any nongovernmental agency or entity that currently has an effective ruling letter from the U.S. Internal Revenue Service, granting tax exemption under Sections 501(c), (d), or (e) of the Internal Revenue Code, or satisfactory evidence from the State that the nonrevenue producing organization or entity is a nonprofit one organized or doing business under State law.
Program Income	N/A	Program income means gross income earned by the non-Federal entity that is directly generated by a supported activity or earned; as a result, of the Federal award during the period of performance except as provided in 2 C.F.R. 200.307 paragraph. Program income includes but is not limited to income from fees for services performed, the use or rental of real or personal property acquired under Federal awards, the sale of commodities or items fabricated under a Federal award, license fees and royalties on patents and copyrights, and principal and interest on loans made with Federal award funds. Interest earned on advances of Federal funds is not program income. Except as otherwise provided in Federal statutes, regulations, or the terms and conditions of the Federal award, program income does not include rebates, credits, discounts, and interest earned on any of them.
Progress Payment	PP	RFR Payment for the Federal share of the amount found to be documented and compliant that is triggered after 14 calendar days in Document Review.
Progress Payment Review	PP Review	Initial period (14 calendar days or less) within the Document Review stage that the GA is reviewing expenses for potential Progress Payment.
Project Worksheet	PW	The PW (FEMA Form 90-91) is the primary form used to document the location, damage description and dimensions, scope of work, and cost estimate for each project. Developed by FEMA, Recipient and in conjunction with the Subrecipient. FEMA's official document that outlines the eligible project scope of work and cost.
Providing Entity	N/A	The entity providing mutual aid assistance to a requesting entity pursuant to a local or statewide mutual aid agreement.
Public Assistance	PA	FEMA's grant program that provides emergency assistance to save lives and protect property and assists with permanently restoring community infrastructure affected by a federally declared incident.

Reasonable Cost	N/A	A cost is reasonable if, in its nature and amount, it does not exceed that which would be incurred by a prudent person under the circumstances prevailing at the time the decision was made to incur the cost. In other words, a reasonable cost is a cost that is both fair and equitable for the type of work being performed.
Request for Advance	RFA	Subrecipient request for advance payment.
Request for Working Capital Advance	RFCA	Subrecipient request for working capital advance payment.
Requesting Entity	N/A	An entity that requests mutual aid assistance from a Providing Entity for work resulting from a declared fire, emergency, or major disaster within its legal jurisdiction.
Request for Reimbursement	RFR	Subrecipient request for payment for costs incurred.
RFR Final Payment	FP	RFR payment recommended after all RFR expenses have undergone review; follows the Progress Payment, if one has been issued for the RFR.
Recipient	N/A	A non-Federal entity that receives a Federal award directly from a Federal awarding agency to carry out an activity under a Federal program.
Simplified Acquisition Threshold	SAT	The dollar amount below which a non-Federal entity may purchase property or services using small purchase methods. The simplified acquisition threshold is set by the Federal Acquisition Regulation at 48 C.F.R. Subpart 2.1 (Definitions) and in accordance with 41 U.S.C. 1908. As of the publication of this part, the simplified acquisition threshold is \$250,000, but this threshold is periodically adjusted for inflation.
Small Project	N/A	A project for which the final obligated (Federal and non-Federal) amount is equal to or less than the annually adjusted project cost threshold. The applicable threshold is the one implemented at the time of the disaster declaration.
Management Costs	MC	Any indirect cost, any direct administrative cost, and any other administrative expense associated with a specific project under a major disaster or emergency.
Subrecipient	SR	A non-Federal entity that receives a subaward from a pass-through entity to carry out part of a Federal program. It does not include an individual that is a beneficiary of such program. A Subrecipient may also be a Recipient of other Federal awards directly from a Federal awarding agency.
Supply	N/A	Any tangible personal property other than that meeting the definition of equipment.

Appendix 7-B: Roles and Responsibilities

Role	Responsibilities	Responsible Party
Accounts Payable (AP) Team	The COR ³ team that disburses the Subrecipient payment	COR ³ Finance
Chief Grants Officer	COR ³ Director overseeing the Grant Management	COR ³ Grants Management
Closeout Specialist	Performs Closeout reconciliation review and prepares CFPR	COR ³ Closeout
Closeout Supervisor	Reviews and approves CFPR	COR ³ Closeout
General Ledger (GL) Team	COR ³ team that posts the journal entries to the GL, performs balance integrity procedures, and SEPA reporting	COR ³ Finance
Grant Analyst (GA)	Performs RFA and RFR Document Review for COR ³	COR ³ Grant Review
Grants Manager (GM)	Manages a COR ³ Grants Management Team	COR ³ Grants Management
Initial Assessment Analyst (IAA)	Performs the initial assessment and assigns analysts to RFAs and RFRs	COR ³ Grant Review
Quality Control Analyst (QCA)	Performs RFA and RFR Document Review Quality Control for COR ³	COR ³ Grant Review
Subrecipient	Prepares and submits RFA and RFR, and responds to RFIs	Subrecipient
Treasury Team	COR ³ team that draws down funds for Subrecipient payments	COR ³ Finance

Appendix 7-C: Tools and Process Enablers

Tool and Process Enabler	Purpose/Description	Link
DRS User Guides	DRS user guides will help DRS users navigate the system and perform actions such as creating expenses, submitting contract documentation, etc. submitting RFRs, through PR DRS for the purpose of conducting RFR reviews.	DRS User Guides (Requires DRS Login)
RFA Form	Required form for RFA submittals.	 RFA
RFR Document Review Checklist	Checklist to be used by Subrecipients during preparation of a new RFR for submission to verify required documentation has been included and meets Federal and GPR compliance standards.	 RFR Checklist
RFR Form	Required form for RFR submittals.	 RFR
Transparency Portal	Contains reference material, including policies and procedures, helpful guides, and information related to Puerto Rico disaster recovery funding.	https://recovery.pr/

Appendix 7-D: Subrecipient RFA Submission Process Overview

An overview of the Subrecipient's RFA submission process is summarized below.

Create New Contract Entry

- Select "Add Contract" under the Applicant Tab
- Enter contract details & select "OK"
- Repeat as needed



Add Contract & Procurement Documentation

- Select "Add Document" within the applicable Contract entry
- Upload documents, input applicable information, & select "OK"



Create Payment Request

- Select "Payment Request" from the PW Tab
- Select "Advance" Request Type, & input SOW & Requested Amount
- Assign requested contract(s) & select "OK"



Upload 90-day Spend Plan

- Select "Add Documents" under Request Details & upload Spend Plan
- Enter requested information & select "OK"



Complete & Upload Signed RFA

- Download RFA Template
- Input RFA template information & sign
- Select "Add Documents" under Request Details, upload signed RFA, & select "OK"



Submit RFA

- Select "Submit Request" under the Request Details Tab & select "OK"

Appendix 7-E: RFA Required Documentation

The following graphic shows the required documents for an RFA.

1. Request for Advance Form

2. Spend Plan

3. Applicable Procurement Documentation:

- Subrecipient Procurement Policy
- Request for Bids/Proposals/Quotes
- Bid Advertisement
- Bid or Vendor Score Tabulation
- All Submitted Bids/Quotes/Proposals
- ASG or Vendor Certification(s)

4. Applicable Contract Documentation:

- Contract (or PO) + Amendments
- FOMB Contract Approval (\geq \$10M)
- Contract Justification Memo - Required if one or more of the below apply:
 - Time & Materials Contract
 - Lowest cost vendor not selected
 - Non-competitive contract \geq \$10,000.00 (N/A PR Agencies)
- Cost Analysis - Required if one or more of the below apply:
 - Improper procurement
 - Insufficient number of bids/quotes received
 - Non-competitive contract \geq \$10,000.00

Spend Plan Requirements

- Not to Exceed 90 Days from Work Start Date
- Must include the following:
 - Work Start Date (at least 30 days after the date of RFA submission)
 - Anticipated payments with dates and amounts for each
- Example: Construction Certification Schedule

Appendix 7-F: Subrecipient RFR Submission Process Overview

An overview of the Subrecipient's RFR submission process is summarized below.

Upload & Link Proof of Payment (POP)

- N/A if no RFRs have been previously submitted under the applicable PW
- Select "Add Documents" under the PW tab & upload POP for previously paid RFRs aged > 60 days
- Link "Proof of Payment" under the PW or Payment Request folders to link uploaded POP to associated expenses & select "OK"



Create a New Expense or Revenue Entry

- Select "Add Expense Entry" under the PW Tab
- Enter expense details
- Select "Add Document" & upload expense documentation & select "OK"



Create Payment Request

- Select "Payment Request" from the PW Tab, then "Reimbursement" Request Type and applicable Expense Type (Non-Force Account or Force Account) from the drop-down
- Assign requested expenses and validate the requested amount within each expense, then select "Save"



Sign RFR

- Select "Download RFR Template" from the elipsis in the top right corner of the Request Details Tab
- Complete the RFR Template, sign and date the form, and save the document to your desktop
- Select "Add Document" and select the RFR template and mark it as a Signed RFR document type



Submit RFR

- Select "Submit Request" on the Request Details Tab
- Select "OK"

Appendix 7-G: RFR Required Documentation

The following table shows the required RFR documentation by expense type.

Document Type	Force Account Resources				Non-Force Account Resources					
	FAL	FAE	Inventory Materials	MC/DAC	Contract	Rental	Purchased Materials	MC/DAC	Mutual Aid	
									Contract Provided	FAL/FAE Provided
Certified Summary Record	☞	☞	☞	☞	☞	☞	☞	☞	☞	☞
Pre-Disaster Pay & Overtime Policy	☞			☞						☞
Certified Time Sheets	☞			☞						☞
Fringe Benefits Calculation Sheet	☞			☞						☞
Payroll Roster & Rates	☞			☞						☞
Equipment Roster & Rates		☞		☞						☞
Equipment Operator Log		☞		☞		☞				☞
Inventory Log			☞	☞						☞
Inventory Cost Justification			☞	☞						☞
Proof of Payment	☞	☞	☞	☞	☞	☞	☞	☞	☞	☞
Invoice/Receipt					☞	☞	☞	☞	☞	☞
Procurement/Contract Documents					☞	☞	☞	☞	☞	
MC/DAC Activity Descriptions				☞				☞		
Mutual Aid Agreement									☞	☞
Services Requested & Received									☞	☞

RFR Required Documentation Table

Management Cost (MC) and Direct Administrative Cost (DAC) Expense Documentation

MC and DAC expenses require whatever documentation that is required for the expense type, plus activity descriptions that tie to allowable tasks. The allowable tasks are dependent on which administrative cost policy is applicable, and DAC expenses must also be tied to a specific eligible project. For example, a FAL MC expense requires all documentation required for FAL, plus MC activity descriptions.

Mutual Aid Expense Documentation

All mutual aid expenses require a mutual aid agreement, invoice from the providing entity, and a description of the services requested and received. Additional required documentation is dependent on the type of resources deployed by the providing entity. For instance, if Entity A deployed contract labor to perform Emergency Work for Entity B, the following is required:

- Mutual aid agreement;
- Services requested & received;
- Invoice from Entity A to Entity B;
- Procurement/contract documentation;
- Invoice from contractor to Entity A; and
- Proof of payment from Entity B to Entity A




















Category A – Debris Removal Additional Required Documents

In addition to the expense type documentation, Category A – Debris Removal requires the following:

- Load Tickets
- Truck Certifications
- Monitoring Logs

Appendix 7-H: Required Procurement and Contract Documentation

The following table shows the required contract and procurement documentation for each of the Procured Resource Expense Types that require contract and procurement documentation (Contract Work, Rental Equipment, Purchased Materials, and Mutual Aid by Contract).

Document Type	Agencies & Municipalities	Private Non-Profit
Procurement Policy		
Request for Bids/Proposals/Quotes		
Bid Advertisement		
Bid or Vendor Score Tabulation		
Submitted Bids/Quotes/Proposals		
ASG or Vendor Certification(s)*		
Contract (or PO) + Amendments**		
Contract Registration No. & Form		
FOMB Contract Approval (≥ \$10M)		
Contract Justification Memo***		
Cost Analysis****		

Required Procurement and Contract Documentation Table

*Vendor certification(s) are only required for PNPs if they are required by their own policy.

**A Purchase Order (PO) may be used to fulfill the contract requirement only if the Subrecipient’s procurement policy allows for the same exception.

*****Contract Justification Memo**

- Required if one or more of the below apply:
 - Time & Materials Contract → Why was no other contract type suitable?
 - Lowest cost vendor not selected→ Why was the lowest cost vendor not selected?
 - Non-competitive contract ≥ \$10,000.00 (N/A if PR Agency professional services contract) → Why was non-competitive procurement necessary?

******Cost Analysis**

- Required if one or more of the below apply:
 - Improper procurement
 - Insufficient number of bids/quotes received
 - Non-competitive contract ≥ \$10,000.00

Appendix 7-I: Request for Information (RFI) Process

Document Review Stage

During Document Review, the GA will:

- 1) List identified missing or incomplete documentation in a spreadsheet;
- 2) After review is complete, complete the Review Tool as if the missing information will not be provided;
- 3) Draft RFI using the standard template;
- 4) Transmit RFI draft and Review Tool to the QCA via email; and

Document Review Quality Control Stage

After completing their full review, the QCA will:

- 1) Remove documentation or questions from the RFI draft if items are resolved during the DRQC review;
- 2) Add documentation or questions from the RFI draft if the list is found insufficient;
- 3) Send completed RFI draft to approver via email, copying GA.

Document Review Stage

Upon approval of the RFI, the GA will:

- 1) Process the “RFI Hold” in DRS and input the RFI message:
 - a) Confirm the DRS-generated email was sent to all necessary parties, including the Branch Analyst, and designated COR³ and Subrecipient point of contact(s) (POC(s)); and
 - b) If DRS-generated RFI did not make it to one of the designated points of contact, the GA will confirm the individual’s status as a POC and forward the DRS-generated email;
- 2) Track RFI process deadline and maintain communication with the Subrecipient and COR³ Liaison:
 - a) Subrecipient has **seven (7) calendar days to respond with the required information**;
 - b) Follow-up with the POC(s) and/or Subrecipient to determine if information will be submitted; and
 - c) Document follow-ups in the DRS Communications Tab;

If the RFI is resolved by the deadline, the GA will:

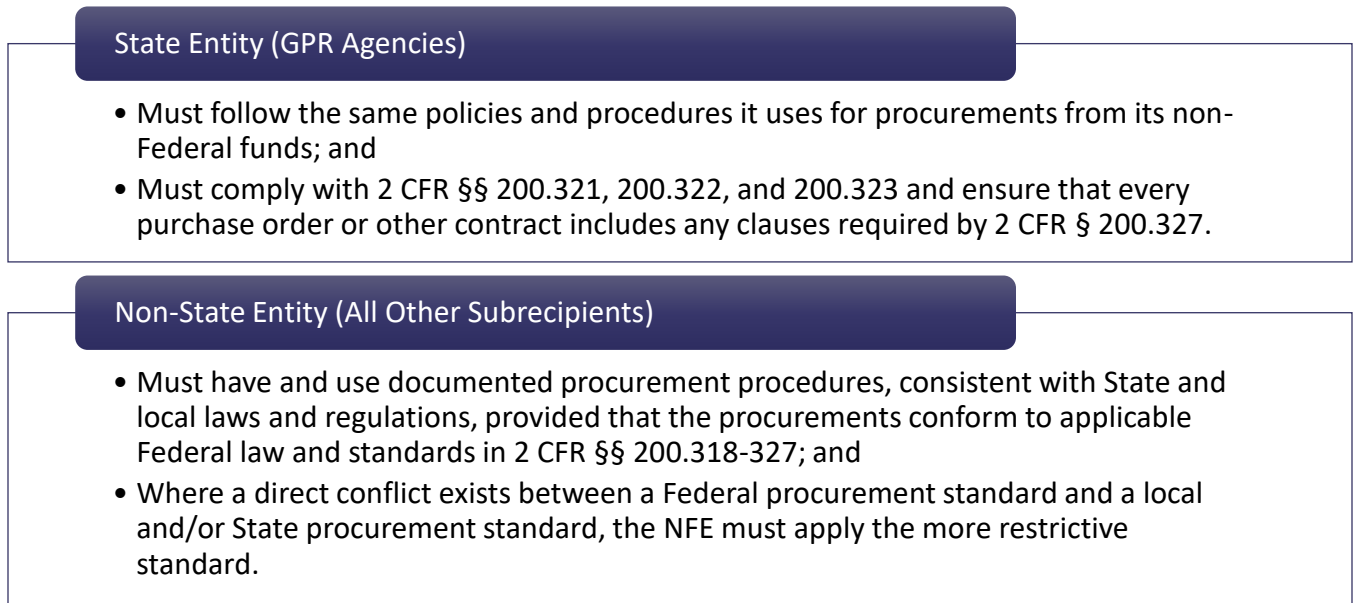
- 1) Process “RFI Release” in DRS
- 2) Revise the Review Tool and DRS inputs to reflect the additional information provided; and
- 3) Advance the Payment Request to DRQC.

If the RFI is NOT fully resolved by the deadline, the GA:

- 3) Will revise the Review Tool and DRS inputs to reflect any additional information provided; and
- 4) **For RFRs, it will either:**
 - a) Return the RFR to the Subrecipient (RFR Preparation) for resolution, when no cost can be reimbursed; or
 - b) Reduce the RFR to the documented, compliant amount and advanced to DRQC; and
- 5) **For RFAs, it will:**
 - a) Return the RFA to the Subrecipient for RFI resolution.

Appendix 7-J: Federal Procurement Requirements

The following figure describes the Federal procurement requirements for State entities and non-State entities.



The following table shows the Uniform Guidance (2 CFR § 200) Federal procurement requirements that apply to State and non-State entities by section.

Citation	Section Title	Non-State Entity	State Entity
2 CFR § 200.317	Procurements by States		⌘
2 CFR § 200.318	General Procurement Standards	⌘	
2 CFR § 200.319	Competition	⌘	
2 CFR § 200.320	Methods of Procurement	⌘	
2 CFR § 200.321	Contracting w/ SME, MBE, WBE, & LSA Firms	⌘	⌘
2 CFR § 200.322	Domestic Preferences for Procurements*	⌘	⌘
2 CFR § 200.323	Procurement of Recovered Materials	⌘	⌘
2 CFR § 200.324	Contract Cost & Price	⌘	
2 CFR § 200.325	Federal Awarding Agency or Pass-Through Entity Review	⌘	
2 CFR § 200.326	Bonding Requirements	⌘	
2 CFR § 200.327	Contract Provisions	⌘	⌘

Uniform Guidance Procurement Requirements by Section Table

The following table shows the Federal requirements pertaining to Methods of Procurement per 2 CFR § 200.320.

Procurement Methods	Materials & Non-Professional Services			Construction			Professional Services		
	≤ \$10K	\$10K ≤ \$250K	> \$250K	≤ \$2K	\$2K ≤ \$250K	> \$250K	≤ \$10K	\$10K ≤ \$250K	> \$250K
Micro Purchase (Quotes/Bids Not Required)	⊗			⊗			⊗		
Small Purchase (Minimum of 3 Quotes)		⊗			⊗			⊗	
Formal Procedures (Minimum of 2 Sealed Bids or 2 Competitive Proposals)			⊗			⊗			⊗
• Sealed Bids (Recommended Use)*			⊗			⊗			
• Competitive Proposals (Recommended Use)*									⊗

Methods of Procurement Table

*See the Formal Procurement Procedures callout box on the next page for additional information pertaining to the appropriate use of the sealed bids method or competitive proposals method when formal procedures are required.

In addition to the methods of procurement shown above, non-competitive procurement is allowable under certain circumstances as shown in the figure below.

Non-Competitive Procurement

Allowable only if one or more of the following circumstances apply:

- The acquisition of property or services, the aggregate dollar amount of which does not exceed the micro-purchase threshold (Note: While the micro purchase method is a type of non-competitive procurement, a cost analysis is not required as it is with the other allowable circumstances);
- The item is available only from a single source;
- The public exigency or emergency for the requirement will not permit a delay resulting from publicizing a competitive solicitation;
- The Federal awarding agency or pass-through entity expressly authorizes a non-competitive procurement in response to a written request from the non-Federal entity; or
- After solicitation of a number of sources, competition is determined inadequate.

Formal Procurement Procedures

When Formal Procedures are required, either the sealed bid method or the competitive proposals method may be used depending on the circumstance. The recommended use for each of the formal procurement methods is shown in the Methods of Procurement Table and further explained herein:

The **sealed bid method** is the preferred method for procuring construction services and is appropriate when the following conditions are present:

- Complete, adequate, and realistic specifications or purchase descriptions are available;
- Two or more responsible bidders are willing and able to compete effectively for the business;
- The procurement lends itself to a fixed price contract; and
- The non-state entity primarily selects the successful bidder based on price. This includes the price-related factors included within the solicitation. Other than the responsibility determination, the non-state entity may not select a contractor based on non-price-related factors.

The **competitive proposals method** is appropriate when the following conditions are present:

- The non-state entity cannot base the contract award exclusively on price or price-related factors due to the nature or the service or property to be acquired;
- The requirements are less definitive, more development work is required, or there is a greater risk of performance;
- Technical capability, past performance, and prior experience considerations play a dominant role in source selection; and/or
- Separate discussions with individual offerors are expected to be necessary after they have submitted proposals. This is a key distinction from the sealed bidding method of procurement where such discussions with individual bidders are prohibited and the contract will be awarded based on price and price-related factors alone.

Appendix 7-K: Document Naming Convention and DRS Folder Assignment

The following table shows the naming conventions and the associated primary DRS folder locations where the documents should be uploaded.

Document Description	Primary Upload Location	DRS Document Type	Naming Convention	Notes
General				
90-91 Current Version	Project Worksheet	Form 90-91, current	DR####_PW####_DRS####_FEMA Form 90-91 Version #	
90-91 Previous Version	Project Worksheet	Form 90-91, historic	DR####_PW####_DRS####_FEMA Form 90-91 Version #	"Edit Documents" to change "Current" to "Historic" type
FEMA Validation Documentation (PW Attachments)	Project Worksheet	FEMA Workbook	Disaster #-PW#-FEMA Validation-[Doc Name in 90-91 SOW]-Version #	
Request for Reimbursement Form	Payment Request	Signed RFR	Disaster #-PW#-RFR DRS #-Request for Reimbursement	
Request for Advance Form	Payment Request	Signed RFA	Disaster #-PW#-RFA DRS #-Request for Advance	
Closureout Final Payment Form	Payment Request	Signed Closureout Final Payment	Disaster #-PW#-CFP DRS #-Closureout Final Payment	
Advance Spend Plan	Payment Request	Spend Plan	Disaster #-PW#-RFA DRS #-Spend Plan	
RFA Review Tool	Payment Request	Completeness Assessment	Disaster #-PW#-RFA DRS #-Advance Review	Description Input: "Advance Review"
RFR Review Tool (PP Version)	Payment Request	Compliance Assessment	Disaster #-PW#-RFR DRS #-RFR Review	Description Input: "RFR Review (PP Version)"
RFR Review Tool (Final Version)	Payment Request	Compliance Assessment	Disaster #-PW#-RFR DRS #-Advance Review	Description Input: "RFR Review (Final Version)"
RFI Extension Request / Approval	Payment Request	Request for Information	Request for Information-RFR#-PW#-Disaster#-Extension Request	
RFI Spreadsheet/Details/Notes	Payment Request	Request for Information	Request for Information-RFR#-PW#-Disaster#-Details	
Period of Performance Time Extension Approval	Project Worksheet	Extension Request (Requests / Extension)	Disaster #-PW#-Extension Approval	
Proof of Payment				
Vendor Proof of Payment	Project Worksheet	Proof of Payment	[Contractor Name]_POP#	Link POP to applicable expense(s)
Payroll	Project Worksheet	Proof of Payment	[Subrecipient Name]_FAL_Payroll	Link POP to applicable expense(s)
Contract & Procurement				
Procurement Policy	Applicant	Procurement Policy	[Subrecipient Name]_Procurement Policy	
IFP/RFP/RFQ Advertisement	Applicant → Contract	Advertisement	[Contractor Name]_Contract#_PRO AD	
IFP/RFP/RFQ	Applicant → Contract	RFP; RFQ	[Contractor Name]_Contract#_PRO AD	
Bid/Quote Tabulation	Applicant → Contract	Bid Tabulation	[Contractor Name]_Contract#_PRO	
Bids/Quotes/Proposals	Applicant → Contract	Bids; Proposals	[Contractor Name]_Contract#_PRO	
Bid Board Meeting Minutes	Applicant → Contract	Bid Opening Meeting Minutes	[Contractor Name]_Contract#_PRO BMM	
Justification (if lowest bidder was not selected)	Applicant → Contract	Scoring Sheet	[Contractor Name]_Contract#_PRO Justification	
Contract	Applicant → Contract	Contract + (multiple specific categories)	[Contractor Name]_Contract#_CON	
Contract Amendment	Applicant → Contract	Amendments (and if applicable "Change Request")	[Contractor Name]_Contract#_CON	
Rental Agreement	Applicant → Contract	Contract + (multiple specific categories)	[Contractor Name]_Rental Agreement#_RE_RA	
Contract Registration Number & Form	Applicant → Contract	Puerto Rico Comptroller's Office Contract Registration	[Contractor Name]_Contract or Amendment #_Registration #_OCPR	
Vendor's Certificate of Eligibility	Applicant → Contract	Other	[Contractor Name]_Contract#_ASG	Description Input: "ASG Certificate"
Selected Provider's P&P Bonds	Applicant → Contract	Other	[Contractor Name]_Contract#_Bonds	Description Input: "P&P Bonds"
Federal Debarment Check	Applicant → Contract	Debarment Status Check	[Contractor Name]_Debar Check	
Purchase Orders	Applicant → Contract	Purchase Order	[Contractor Name]_Contract#_PO	
Fiscal Oversight Management Board Approval	Applicant → Contract	Fiscal Oversight Board Contract Approval	[Contractor Name]_Contract#_FOMB	
Cost Analysis - Provided by Subrecipient	Applicant → Contract	Cost Analysis	[Contractor Name]_Contract#_Subrecipient Received Cost Analysis	
Cost Analysis - Performed by Technical Team	Applicant → Contract	Cost Analysis	[Contractor Name]_Contract#_Cost Analysis	
Lease v. Purchase Evaluation	Applicant → Contract	Lease v. Purchase Evaluation	[Contractor Name]_Contract#_Lease v. Purchase	
Contract Work Summary Record	Payment Request	Certified Contract Summary Record	Disaster #-PW#-RFR DRS #-RFR Contract Summary	
Invoice/Pay Application	Expense	Invoice	PW#_RFR#_[Contractor Name]_CW_INV#	
Rental Equipment				
Rental Equipment Summary Record	Payment Request	Certified Rental Summary Record	Disaster #-PW#-RFR DRS #-RFR Rental Summary	
Operator Hours	Expense	Operator Hours	PW#_RFR#_[Contractor Name]_RE_OH	
Invoice	Expense	Invoices	PW#_RFR#_[Contractor Name]_RE_INV#	
Material				
Material Summary Record	Payment Request	Certified Material Summary Record	Disaster #-PW#-RFR DRS #-RFR Material Summary	
Inventory Log	Expense	Invoice	PW#_[Subrecipient Name]_MT_INVLIST	
Inventory Rate Justification	Expense	Invoice	PW#_[Subrecipient Name]_MT_INVLIST	
Invoice/Receipt	Expense	Invoice; Receipt	PW#_RFR#_[Contractor Name]_MT_INV	
Force Account Labor				
Certified FAL Time Summaries	Expense	Certified Time Summaries	PW#_RFR#_[Subrecipient Name]_FAL_CTS	
Hourly Rates	Applicant	Force Account Labor	[Subrecipient Name]_FAL_Roster with Rates	
Signed Timesheets	Expense	Time Cards	PW#_RFR#_[Subrecipient Name]_FAL_Timesheets	
Fringe Benefits Calculation Sheet	Applicant	Fringe Benefit Sheet	[Subrecipient Name]_FAL_FRG	
Pre-Disaster Personnel Policy	Applicant	Labor Policy; Overtime Policy; Union Contract	[Subrecipient Name]_FAL_POL	
Activity Logs	Expense	Logs	PW#_RFR#_[Subrecipient Name]_FAL_ACLOG	
Force Account Equipment				
Certified Equipment Summaries	Expense	Certified Force Account Equipment Summaries	PW#_RFR#_[Subrecipient Name]_FAE_CES	
Equipment Inventory	Project Worksheet	Equipment Inventory/FEMA Cost Codes	PW#_[Subrecipient Name]_FAE_INVLIST	
Schedule of Rates	Project Worksheet	Equipment Inventory/FEMA Cost Codes	PW#_[Subrecipient Name]_INV with Rates	
Operator Hours	Expense	Operator Hours	PW#_RFR#_[Subrecipient Name]_FAE_OPLOGS	
Activity Logs	Expense	Equipment Activity Logs; Logs	PW#_RFR#_[Subrecipient Name]_FAE_EQACLOG	
Proof of Equipment Ownership	Applicant	Equipment Inventory	[Subrecipient Name]_FAE_EQOW	
Mutual Aid				
Mutual Aid Agreement	Applicant → Contract	Contract + (multiple specific categories)	[Providing Entity Name]_MA Agreement	Description Input: "Mutual Aid Agreement"
Services Requested and Received	Applicant → Contract	Other	[Providing Entity Name]_MA Services	Description Input: "Mutual Aid Services"
Debris				
Load Tickets	Expense	Logs	PW#_RFR#_[Contractor Name]_INV_Load Tickets	Description Input: "Load Tickets"
Truck Certifications	Project Worksheet	Other	PW#_[Contractor Name]_Truck Certs	Description Input: "Truck Certification"
Monitoring Logs	Expense	Logs	PW#_RFR#_[Contractor Name]_INV_Monitoring Logs	Description Input: "Monitoring Logs"
Permits (Landfill or Temporary Debris Sites)	Project Worksheet	Permits, Federal; Permits, Local; Permits, State	PW#_[Subrecipient Name]_Location Name)_Permit	
Direct Administrative Costs & Management Costs				
Detailed Descriptions of Eligible DAC/MC Tasks	Expense	Detailed Descriptions of DAC Tasks	PW#_RFR#_DAC_LOG; or PW#_RFR#_MC_LOG	

Document Naming Conventions and Folder Locations Table

Document Uploads After Payment Request Submission

DRS restricts document uploads to the Expense and Payment Request Levels for Subrecipient roles after the Payment Request has been submitted. The GA is also restricted from adding documents to the Expense Level; however, they may upload to the Payment Request Level. Therefore, documents with Expense Level primary location may be transmitted to the GA for upload to the Payment Request Level.

Appendix 7-L: RFR Payment Example

The following table shows an example of an expected Progress Payment and Final Payment according to the RFR Process assuming no deductions (insurance or unreconciled RFA or EFID balances) are required.

		Progress Payment Review		Final RFR Review
RFR Expenses	Requested Amount	Reviewed for PP (Yes/No/RFI)	PP Reviewed Compliant Amount	Final Review Compliant Amount
Expense 1	\$ 2,500,000.00	Yes	\$ 2,500,000.00	\$ 2,500,000.00
Expense 2	\$ 7,500,000.00	Yes	\$ 7,000,000.00	\$ 7,000,000.00
Expense 3	\$ 300,000.00	No	\$ -	\$ 300,000.00
Expense 4	\$ 500,000.00	RFI	\$ -	\$ 450,000.00
Expense 5	\$ 90,000.00	No	\$ -	\$ 90,000.00
Expense 6	\$ 7,000.00	No	\$ -	\$ 7,000.00
Expense 7	\$ 900,000.00	Yes	\$ 900,000.00	\$ 900,000.00
Expense 8	\$ 500,000.00	Yes	\$ 500,000.00	\$ 500,000.00
Expense 9	\$ 300,000.00	No	\$ -	\$ 300,000.00
Expense 10	\$ 40,000.00	No	\$ -	\$ 40,000.00
	\$ 12,637,000.00		\$ 10,900,000.00	\$ 12,087,000.00
		Federal Share:	x 90%	x 90%
		PP Amount:	\$ 9,810,000.00	\$ 10,878,300.00
			Less PP Amount:	\$ (9,810,000.00)
			Final Payment Amount:	\$ 1,068,300.00

Appendix 7-M: Payment Reduction Examples for Actual and Anticipated Insurance Deductions

As stated in the Payment Request Policy, Large Projects with obligated insurance deductions will be treated as follows:

- iii. For anticipated insurance deductions, insurance will be deducted from the final RFR(s); and
- iv. For actual insurance deductions, insurance will be deducted as a *weighted percentage* of the RFR’s Total Requested Amount (TRA) out of the Obligated Federal Share Amount (OFSA):
 - i. For example, the Subrecipient received \$100,000 in Actual Insurance for a PW with \$1,000,000 OFSA and submits RFR #1 for \$100,000. RFR #1 will have \$10,000 of actual insurance deducted. If the PW is a 90% Cost Share and Document Review confirms all expenses are 100% allowable, the Subrecipient will receive \$81,000 in FEMA funds.
 - ii. The calculation to arrive at a \$81,000 FEMA disbursement is as follows:
 - i. \$100,000 TRA out of a \$1,000,000 OFSA PW = 10%
 - ii. 10% of the \$100,000 Actual Insurance Amount = \$10,000
 - iii. \$100,000 TRA minus \$10,000 Actual Insurance = \$90,000 * 90% Cost Share = **\$81,000 FEMA Disbursement**
- iii. In scenarios of active PWs with previously disbursed RFRs where the Actual Insurance was not deducted as a percentage of TRA out of the Federal OFSA, Grant Review will be able to override the Actual Insurance deduction amount in DRS.
- iv. If the recommended amount is less than the requested amount COR3 may adjust the insurance calculation using the recommended amount.
- v. However, the remaining balance of the insurance, if any, will be deducted from the PW’s final RFR.

Example 1: Actual Insurance Proceeds Obligated in Version 0

The following table shows an example of RFR payments for a single project if an *actual* insurance deduction is obligated by FEMA in Version 0 using the weighted percentage approach until 100% of the *actual* insurance amount is deducted.

	Version 0, Total Project Costs	\$ 2,400,000.00						
	Cost Share	90%						
	Federal Obligated Amount	\$ 1,800,000.00						
	Actual Insurance	\$ 400,000.00						
	RFR No.:	1	2	3	4	5	6	Total
	Requested Amount:	\$ 400,000.00	\$ 500,000.00	\$ 800,000.00	\$ 400,000.00	\$ 100,000.00	\$ 200,000.00	\$ 2,400,000.00
	Recommended Amount (RA):	\$ 400,000.00	\$ 500,000.00	\$ 800,000.00	\$ 400,000.00	\$ 100,000.00	\$ 200,000.00	\$ 2,400,000.00
	Insurance Reduction (IR)	22%	28%	44%	1.23%	0%	0%	
	IR Amount:	\$ (88,888.89)	\$ (111,111.11)	\$ (177,777.78)	\$ (22,222.22)	\$ -	\$ -	\$ (400,000.00)
	RA + IR:	\$ 311,111.11	\$ 388,888.89	\$ 622,222.22	\$ 377,777.78	\$ 100,000.00	\$ 200,000.00	\$ 2,000,000.00
	Federal Share Reimbursed Amount:	\$ 280,000.00	\$ 350,000.00	\$ 560,000.00	\$ 340,000.00	\$ 90,000.00	\$ 180,000.00	\$ 1,800,000.00
Example 1: Actual Insurance at Initial Obligation	PW Payments to Date:	\$	\$ 630,000.00	\$ 1,190,000.00	\$ 1,530,000.00	\$ 1,620,000.00	\$ 1,800,000.00	\$ 1,800,000.00

Example 2: Initially Obligated with Anticipated Insurance, then versioned during lifecycle of Project with Actual Insurance

The following table shows an example of the weighted percentage approach applies to a Project Worksheet that was initially obligated with Anticipated Insurance and then versioned with Actual Insurance during the project lifecycle.

Version 0, Total Project Costs		\$ 2,400,000.00			Version 1, Total Project		\$ 2,400,000.00		
Cost Share		90%			Cost Share		90%		
Federal Obligated Amount		\$ 1,800,000.00			Federal Obligated Amount		\$ 1,800,000.00		
Anticipated Insurance		\$ 400,000.00			Actual Insurance		\$ 400,000.00		
Example 2: Anticipated Insurance	RFR No.:	1	2	3	Version 1 Obligated with Actual Insurance after 3 RFRs and \$1.4M in Federal Reimbursements	4	5	6	Total
	Requested Amount:	\$ 300,000.00	\$ 500,000.00	\$ 800,000.00		\$ 300,000.00	\$ 300,000.00	\$ 200,000.00	\$ 2,400,000.00
	Recommended Amount (RA):	\$ 300,000.00	\$ 500,000.00	\$ 800,000.00		\$ 300,000.00	\$ 300,000.00	\$ 200,000.00	\$ 2,400,000.00
	Insurance Reduction (IR)					106%	17%	11%	
	IR Amount:	\$ -	\$ -	\$ -		\$ (300,000.00)	\$ (66,666.67)	\$ (33,333.33)	\$ (400,000.00)
	RA + IR:	\$ 300,000.00	\$ 500,000.00	\$ 800,000.00		\$ -	\$ 233,333.33	\$ 166,666.67	\$ 2,000,000.00
	Federal Share Reimbursed Amount:	\$ 270,000.00	\$ 450,000.00	\$ 720,000.00		\$ -	\$ 210,000.00	\$ 150,000.00	\$ 1,800,000.00
	PW Payments to Date:	\$ -	\$ 720,000.00	\$ 1,440,000.00		\$ 1,440,000.00	\$ 1,650,000.00	\$ 1,800,000.00	\$ 1,800,000.00

The third RFR met/surpassed the threshold of 50% of the OFSA (\$300,000 + \$500,000 + \$800,000 = \$1,600,000 out of \$1,800,000 OFSA), so insurance was reduced at a weighted percentage. Before RFR #4, a version was obligated with Actual Insurance, therefore that RFR accounted for the Total Requested Amounts in RFR #1 and RFR #2 to assure weighted percentage of insurance deduction across all RFRs.

Example 3: Initially Obligated with Anticipated Insurance, Actual Insurance during the Closeout Version

The following table shows an example of a Project Worksheet initially obligated with Anticipated Insurance and then Actual Insurance is not accounted for in a Version until the final Closeout process.

Version 0, Total Project Costs		\$ 2,400,000.00			Version 1, Total		\$ 2,400,000.00		
Cost Share		90%			Cost Share		90%		
Federal Obligated Amount		\$ 1,800,000.00			Federal Obligated Amount		\$ 1,800,000.00		
Anticipated Insurance		\$ 400,000.00			Actual Insurance		\$ 400,000.00		
Example 3: Anticipated Insurance, Closeout	RFR No.:	1	2	3	4	5	Final	Total	
	Requested Amount:	\$ 300,000.00	\$ 500,000.00	\$ 800,000.00	\$ 300,000.00	\$ 300,000.00	\$ 200,000.00	\$ 2,400,000.00	
	Recommended Amount (RA):	\$ 300,000.00	\$ 500,000.00	\$ 800,000.00	\$ 300,000.00	\$ 300,000.00	\$ 200,000.00	\$ 2,400,000.00	
	Insurance Reduction (IR)								
	IR Amount:	\$ -	\$ -	\$ -	\$ -	\$ (200,000.00)	\$ (200,000.00)	\$ (400,000.00)	
	RA + IR:	\$ 300,000.00	\$ 500,000.00	\$ 800,000.00	\$ 300,000.00	\$ 100,000.00	\$ -	\$ 2,000,000.00	
	Federal Share Reimbursed Amount:	\$ 270,000.00	\$ 450,000.00	\$ 720,000.00	\$ 270,000.00	\$ 90,000.00	\$ -	\$ 1,800,000.00	
	PW Payments to Date:	\$ -	\$ 720,000.00	\$ 1,440,000.00	\$ 1,710,000.00	\$ 1,800,000.00	\$ 1,800,000.00	\$ 1,800,000.00	

Addendums

Addendum 1: Alternate Payment Request Policy

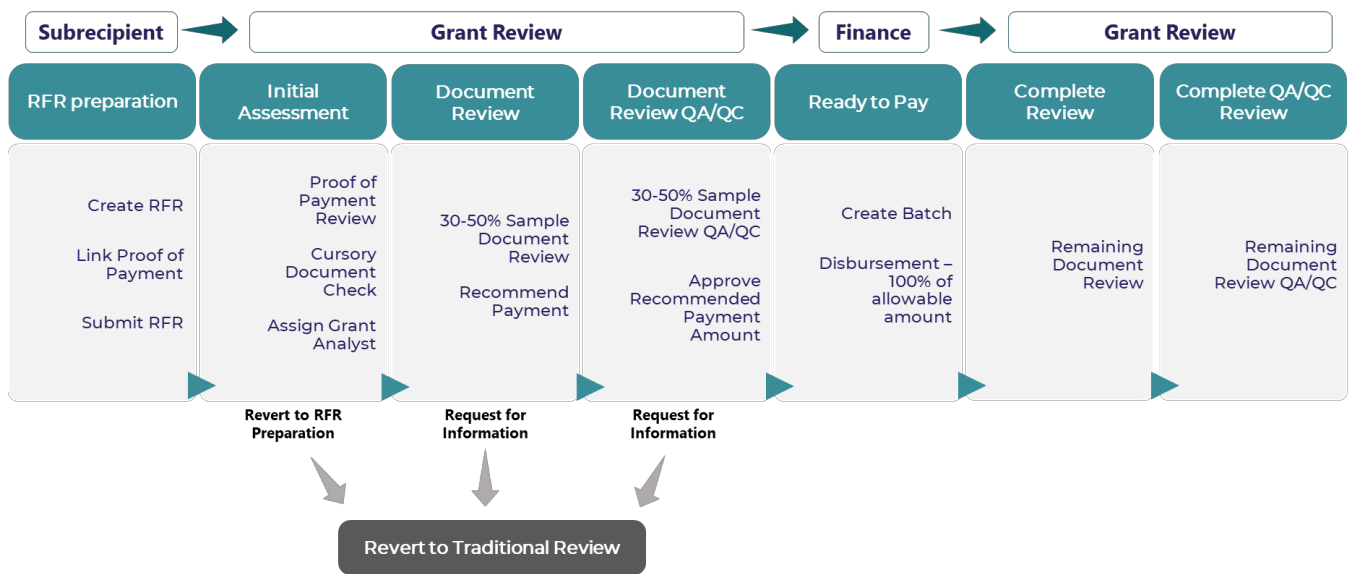
1.1 Sample Review Process

Large Permanent Work Projects may also be paid through a Sample Review Process (SRP). Subrecipients and their Project Worksheets must be determined to be eligible for the process during the preparation of their RFR. DRS will display the RFR Review Type on the submission validation form and on the Request Details form for reference. The intention of the Sample Review is to randomly select at least 30%, but no more than 50%, of the Total Requested Amount to conduct a focused, expedited review and then disburse the full amount of the Payment Request, while completing the remainder of the review during the cash management disbursement process and after payment has been disbursed.

- 1) Subrecipients may be eligible to receive a 100% payment of the total allowable amount of a RFR (FAL or Non-FAL) if the following requirements are met:
 - a) The SRP shall not apply to final RFRs.
 - b) If the RFR includes **expenses** with its **linked proof of payment (for FAL and Non-FAL)** that can be 100% validated upon submission, the Payment Request will be marked as a Sample Review Process (SRP) Review Type.
 - c) The DRS will randomly identify at least 30% of the expenses, but not more than 50%, representing the Total Requested Amount (TRA). Only the sample expenses will be reviewed prior to disbursement. The non-Sample expenses will be reviewed when the sample expenses from the RFR are sent to QA/QC and onto COR3 Finance for disbursement to ensure 100% of the TRA is validated.
 - d) If during the final processing of the remaining 70% of a sample review RFR, a GA finds that a reduction of the RFR is necessary in accordance with the Payment and Cash Management Policy, the expense reduction will be entered on the current RFR and the payment reduction will be applied to the subsequent RFR. The deduction will be made visible in the Recommended Finance to Pay (RFTP) calculation on the Payment History tab.
 - e) When an RFI is required prior to the completion of a 100% validation of the 30% sample of the TRA, the RFR will shift to the Traditional Review process. The GA will only issue a payment recommendation for the total allowable amount after a 100% complete review of the TRA and subrecipient response to the RFI. In this case, the RFR will be reviewed in accordance with the Traditional Payment Request Policy.
 - f) If during the final processing of the remaining 70% of a sample review RFR and any 2 additional sample review RFRs in a row, the subrecipient fails to timely comply with any issued RFIs and/or expense reductions are required, the subrecipient will no longer be eligible to participate in the SRP for any future Payment Requests until determined otherwise by COR3.
- 2) Subrecipient sample review payment amount equals the total requested amount, reduced by applicable deductions (e.g.: insurance, Progress Payment Recommended Amount, unreconciled RFA and/or EFID balance, etc.), multiplied by the appropriate Federal cost share percentage;

- 3) For Payment Requests that are missing documentation or information, or that include incomplete, inaccurate, or illegible documentation, the GA will issue an RFI to the Subrecipient and activate an RFI Hold, after receiving approval from the QCA, in accordance with the Traditional Payment Request Policy.
- 4) All other procedures and requirements applicable to RFRs in accordance with the Payment and Cash Management Policy shall apply to this Alternate Payment Request Policy.
- 5) COR3 reserves the right to deny the payment of any RFR under the Sample Review Process herein described for failing to comply with any of aforementioned requirements, any applicable, federal, local and/or FEMA, regulations, policies and procedures, including matters related to a potential risk of improper payments, deobligations, misuse of funds, fraud, waste and abuse, among others, and any other reason deemed appropriate by COR3.

An overview of the payment and cash management processes for the SRP is shown below.



Sample Review Process Diagram

*Document Review and Document Review QAQC are initially performed on a 30% Sample of Expenses for the submitted RFR. Remaining-non-Sample Expenses are reviewed immediately following the submission to QAQC & COR3 Finance for draw down and disbursement of the eligible funds.

1.2 Request for Working Capital Advance (RFCA) Pilot Program:

As provided by 2 C.F.R. 200.305(b)(5), if a Subrecipient cannot meet the criteria for advance payments under 2 CFR §200.305(b)(1), and lacks sufficient working capital to commence a project to be able to submit a request for reimbursement, COR3 may provide cash on a working capital advance basis.

This Pilot Program may only be requested by the following “Authorized Subrecipients”:

- 1) Puerto Rico’s Municipalities: All large permanent work projects for all current disasters may be eligible for a one-time working capital advance of 25 percent of the obligated PW amount; and
- 2) Puerto Rico Electric Power Authority’s (PREPA), FEMA Accelerated Award Strategy (FAAST) for disaster FEMA-4339-PR, specifically all approved projects, referred to as the FAAST PW Child Projects.

For the Authorized Subrecipients to be eligible to receive a one-time working capital advance of 25 percent of an obligated PW the following requirements must be met:

- 1) The Authorized Subrecipient must submit an RFCA via DRS through which it will have to certify that:

- a) The related obligated permanent work project (PW Number) will be executed;
 - b) That without the RFCA, it cannot provide the following which is required to utilize the COR³'s Request for Advance (RFA) payment program:
 - i. Procurement Documentation;
 - ii. Contract Documentation; and
 - iii. 90 day Spend plan
 - c) It lacks sufficient working capital to utilize either the traditional reimbursement program and/or the RFA payment program.
 - d) It requires a Working Capital Advance of 25 percent in accordance with the terms and requirements of 2 CFR §200.305(b)(4), in order to start work on the eligible project.
 - e) The RFCA relates to an obligated large permanent work PW (Categories C-G), without any submitted RFRs or RFAs and/or disbursements.
- 2) The RFCA may only be signed and certified by a legally authorized representative with the authority to incur debt on behalf of the Subrecipient.
 - 3) Advance payments are NOT allowed for force account labor (FAL) or force account equipment (FAE) expenses;
 - 4) An RFR to substantiate the advance payment and validate allowable costs is required within 90 days after approval of an RFCA. The Authorized Subrecipient must submit procurement documentation, contract documentation, invoices, and proof of payments of the entire RFCA.
 - a) If the Authorized Subrecipient does not submit the proper documentation within the above required timeframe:
 - i. The Authorized Subrecipient must submit no later than 90 days of receipt of the advance a detailed status report including but not limited to, procurement and/or construction process timeline, procurement process status, project status, including supporting documentation, actual expenses incurred on the Project, contracts, invoices, and receipts, that support those expenses; and an estimated time frame, if applicable. These reports may be required by COR3 at any point after the receipt of the RFCA;
 - ii. If the Authorized Subrecipient does not timely comply with any of the previous requirements, COR3 may impose additional requirements and/or restrictions, including but not limited to, the denial of any additional RFCA advances. Furthermore, COR3 may take any means necessary to recoup the funding to include, but not limited to, debt collection actions, offset the funding from other projects currently obligated, offset future projects, and/or deny other funding sources available to the subrecipient.
 - 5) COR3 reserves the right to grant the payment of a RFCA herein described for any reason deemed appropriate or deny the same for failing to comply with any of the aforementioned requirements, any applicable federal, local, and/or FEMA regulations, policies and procedures, including matters related to a potential risk of improper payments, deobligations, misuse of funds, fraud, waste and abuse, among others, and any other reason deemed appropriate by COR3.
 - 6) After an Authorized Subrecipient has submitted all the necessary procurement documentation, contract documentation and proof of payments of the entire Working Capital Advance, through an RFR, it may continue requesting funds through an RFA or an RFR; or

- 7) The Subrecipient may choose to defer the deduction of the RFCA during the RFRs submittal process after the disbursement of the RFCA. If so the following repayment/deduction process would apply:
 - a) **Weighted Percentage deduction** - Similar to Actual Insurance Weighted Percentage deduction rules, the RFCA funds will begin to be deducted with the first RFR at a weighted percent allowing for the return of the RFCA while at the same time allowing for a continuous disbursement of funds, if no additional deductions are required.
 - b) **If the subrecipient chooses to defer the deduction of the RFCA as previously described, the subrecipient will not be eligible to submit a Request for Advance (RFA) until the RFCA balance has been cleared.**

		Version 0, Total Project Costs						
		\$ 2,200,000.00						
		Cost Share	90%					
		Federal Obligated Amount	\$ 2,000,000.00					
		Anticipated Insurance	\$ 400,000.00					
		RFR No.:	RFCA	1	2	4	5	6
		Requested Amount:	\$ 500,000.00	\$ 100,000.00	\$ 200,000.00	\$ 300,000.00	\$ 300,000.00	\$ 200,000.00
Example 3: Anticipated Insurance, Closeout		Recommended Amount (RA):	\$ 500,000.00	\$ 100,000.00	\$ 200,000.00	\$ 300,000.00	\$ 300,000.00	\$ 200,000.00
		Insurance Reduction (IR) Weighted %:		5%	10%	15%	15%	10%
		IR Amount:	\$ -	\$ (20,000.00)	\$ (40,000.00)	\$ (60,000.00)	\$ (60,000.00)	\$ (40,000.00)
		RFCA Deduction	\$	\$ (25,000.00)	\$ (50,000.00)	\$ (75,000.00)	\$ (75,000.00)	\$ (50,000.00)
		RA + IR:	\$ 500,000.00	\$ 55,000.00	\$ 110,000.00	\$ 165,000.00	\$ 165,000.00	\$ 110,000.00
		Federal Share Reimbursed Amount:	\$ 500,000.00	\$ 49,500.00	\$ 99,000.00	\$ 148,500.00	\$ 148,500.00	\$ 99,000.00
		PW Payments to Date:	\$ 500,000.00	\$ 549,500.00	\$ 648,500.00	\$ 797,000.00	\$ 945,500.00	\$ 1,044,500.00
		RFCA Balance	\$ 500,000.00	\$ 480,000.00	\$ 440,000.00	\$ 380,000.00	\$ 320,000.00	\$ 280,000.00

- 8) COR3 has the sole discretion to, change, modify, and/or cancel the RFCA Pilot Program in its entirety at any time.

The progression of a RFCA assuming reviewers do not encounter any special situations and/or exceptions during their assessments is shown below.



Request for Working Capital Advance Payment Process Flow

Request for Working Capital Advance Detailed Process Steps

1. Payment Request Preparer Stage

The RFCA Payment Request type is initiated and prepared by the Subrecipient in GPR’s system of record, Disaster Recovery Solution (DRS).

2. Initial Assessment Stage

Once the Subrecipient submits the RFCA in DRS, the COR³ Initial Assessment Analyst (IAA) performs a cursory review of the project and supporting certification to determine if the project is eligible for an RFCA, that the RFCA was submitted correctly, and that the Subrecipient has provided the required certification for the Grant Analyst (GA) to review. If the request passes the initial assessment, the IAA will advance the request to Ready to Pay. If not, the IAA will return the RFCA to the preparation queue or, depending on the issue, move it to the Pending Resolution queue. An overview of the IA process is shown below.

When a RFCA is received, the IAA will:

- 5) Perform a cursory review of the PW and RFCA to verify a RFCA is allowable and ready for approval. If the IAA finds that an RFCA is not allowable or not compliant with the requirements, the IAA returns the RFCA to the Subrecipient with notes detailing the issue(s) unless otherwise stated. The IAA will verify the following:
 - a) The RFCA is associated with an obligated PW and not a pending PW version;
 - b) The correct Payment Request type is selected in DRS;
 - c) The RFCA Certification is completed and signed in DRS by the Subrecipient;
 - d) Verify that the PW is not obligated as a work completed;
 - e) Verify that the PW has no previous RFRs/RFAs requested and/or disbursed; and
- 6) Advance the RFCA to the Ready to Pay stage.

3. Ready to Pay Stage

The actions performed in the RTP stage are performed by COR³ Finance and are covered in the [Cash Management Procedures](#) section.