

# **A Failing Grade: The Education Sector and Disaster Cost Recovery**

**Presented at the TIEMS Conference  
July, 2014, Hattiesburg, MS**

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## Introduction

Colleges and universities represent diverse and often affluent populations, frequently numbering tens of thousands of people, when students, faculty and staff are included. University facilities often represent hundreds of millions of dollars in valuable, vulnerable and often historic assets. They are a powerful economic engine within their communities, and their influence extends well beyond their campus borders.

However, colleges and universities are exposed to numerous natural and manmade hazards, some of which can produce catastrophic disasters. The hazards to which academic institutions are exposed vary widely, but almost every institution has a serious degree of exposure, even if the rare occurrence factor lulls administrators into complacency as to the real level of risk.

When a disaster occurs, particularly a catastrophic one, the economic damage can be staggering for the school. The damage from Hurricane Katrina was nearly 300,000,000 million dollars at Tulane University<sup>1</sup>. Fortunately, following a disaster, universities are able to access Federal assistance, which could easily run into the tens of millions of dollars.

But the Federal disaster assistance program provided for in the Stafford Act<sup>2</sup>, Public Law 93-288, is a complex and demanding set of regulations that can overpower the very best resources of academic institutions following disaster. Often colleges and universities obtain and retain less than 50% of their actual disaster losses because they fail to understand the byzantine character of federal laws, policies, and regulations that are an integral part of the disaster assistance process.

To further complicate the process, most universities have a widely differing organizational structures, with a multitude of departments and administrative functions which may all play key roles in the disaster cost recovery process, but often operate as semi-autonomous or fully autonomous units within the university.

Yet, for all this diversity of features; services provided; and academic sub-cultures; there is more in common than there are differences when it comes to matters of disaster cost recovery for a university. Building on these common attributes will increase the universities' cost recovery potential.

The purpose of this paper is to describe a process and key factors necessary to enable the participants to maximize their post disaster cost recovery and speed the overall

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<sup>1</sup> Department of Homeland Security, Office of the Inspector General Audit DD-12-10, April 2012

<sup>2</sup> Robert T. Stafford Disaster Relief and Emergency Assistance Act (Public Law 93-288) as amended

institutional recovery.

The first phase in the process is a needs assessment for the institution. Very frequently, organizations are severely limited in their understanding of the breadth, depth and complexity of Federal Disaster Regulations, including various sections of the Code of Federal Regulations<sup>3</sup>.

The challenge is to address the programmatic gaps in the cost recovery system within the university structure, and to address the greatest areas of financial exposure. Often these exposures do not lie within the purview of the emergency management or disaster response functions of the university, but within the business and administrative offices of the institution.

The scope of this process often does not include the private non-profit community organizations, and private non-profit partnerships and quasi-governmental foundations that may also be an integral element of the total campus environment. Each of these organizations may also play an important role in the overall recovery process following a disaster. Although many of these sub-units of the university have differing requirements, they also share much in common, including the special requirements in Federal law regarding their eligibility for cost recovery.

The tools, policies and procedures provided by a well planned disaster cost recovery process will have a high degree of applicability for most of these organizations.

## **The Planning Process**

The aftermath of a disaster is often called the “Disaster after the disaster.” This is because a university community hard hit by any kind of a disaster then faces the challenge of rebuilding itself, with an intense sense of urgency for a return to “normal,” while dealing with an almost unimaginable level of bureaucratic process from regional, state and Federal agencies.

In the haste to restore their campuses, universities find themselves dealing with totally unfamiliar laws, and sometimes self-contradictory loops of regulation that seem to interrupt every honest effort to rebuild the university community. Some of the issues a university may encounter are unavoidable, as many of the regulations are confusing and counter-intuitive at best. However, much of the confusion is self-inflicted by the failure to properly plan for such an event, and from the failure to have a solid understanding of the regulations before they are met. Imagine attending a football game with only the rules of baseball available as a reference to the on-field activity.

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<sup>3</sup> Title 44, Code of Federal Regulations §13.36; Title 44 Code of Federal Regulations §206, et seq; Title 2 Code of Federal Regulations, §215, etc.

The goal of the cost recovery planning process is to create an enhanced capability for disaster cost recovery based on the introduction of a set of model policies and procedures. These policies and procedures will increase the disaster cost recovery capabilities of the entire university community.

The initial phase of the process, the needs assessment, will determine the broad scope of plans, policies, procedures and tools needed to maximize the participant's disaster cost recovery capabilities.

Some of the needs discovered are clearly longer term. However, these elements can be integrated into a strategic plan for the longer term. All the needs discovered should be reported on and identified as either short term goals or as longer term goals for continuing development.

### **The Disaster Cost Recovery Plan**

When colleges and universities do have a Disaster Cost Recovery Plan, the plan is often out of date because the Federal regulations constantly change. Within the past year and a half, there have been four significant changes,<sup>4</sup> and another promulgation of changes is in process as this paper is being written.<sup>5</sup> Some changes are relatively minor, but others are significant enough to create serious problems, or invalidate previously developed cost recovery strategies.

From a professional perspective, this is the first and most serious obstacle to effective cost recovery. Arguably, a cost recovery plan is more important than a disaster response plan. The disaster response phase lasts only a few days or a couple of weeks. The cost recovery goes on for years and decades.

Fire, law and other first responders get intense and frequent training and exercise their skills on a daily basis. Financial and administrative personnel almost never get training and many can go through their entire career without ever being involved in disaster cost recovery. Therefore, a plan is even more important for those who get little or no training and seldom have an opportunity to practice their skills. They must have a ready resource to guide them through their cost recovery work.

**Recommendation:** Develop a Disaster Cost Recovery Plan that is standard for all departments and entities within the university.

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<sup>4</sup> Based primarily on the Sandy Recovery Improvement Act, of January 29, 2013.

<sup>5</sup> Based on "FEMA's Dissemination of Procurement Advice Early in Disaster Response Periods," DHS-OIG Audit OIG-14-46-D

**Time line:** This planning project could take one to two years to complete and the plan would have to be periodically reviewed and updated on a regular basis.

**Added Benefit:** If a smaller localized disaster were to occur, the affected university could request “mutual aid” from other universities that also have a fully functional plan. This would give personnel from other unaffected universities an opportunity to practice their skills, while assisting a neighbor institution in need.

### **The Work and Activity Documentation Section**

This is a sub-component of a comprehensive disaster cost recovery plan. This element has two sections, tracking labor, equipment, materials and facilities used during the disaster response, and tracking labor costs during the recovery phase, when added labor costs can be recovered for the rebuilding work.

Based upon the author’s experience with public agencies, it does not appear that many agencies have in place a clear and detailed method for tracking and reporting disaster response activities for either employees or volunteers. This also appears to be the case for both equipment and materials used in the disaster response. Tracking these response costs is absolutely necessary to get FEMA reimbursement, and it is difficult to get field forces to create contemporaneous documentation in the heat of battle. Systems can be developed to substantially improve this capability.

**Recommendations:** (1) Consider adapting current daily practices to meet FEMA’s documentation requirements so alternate procedures are not required during a disaster. (2) Review the currently available spreadsheets and forms available to determine which should be integrated into a standard process for gathering response cost information, tracking Project Worksheets, and other administrative tasks for cost recovery.

**Time line:** This component has both short term goals that can be achieved during the project time line and longer term goals that could extend into the one to two year range.

**Added Benefit:** FEMA’s documentation requirements actually provide additional data that provides for better routine business management. Using such a system will make disaster response cost tracking a non-issue, when fully implemented.

### **Work Process Flow Section**

The Work Process Flow is another sub-component of having a comprehensive disaster cost recovery plan. In the same way that a traveler needs a map of some kind for a journey into an unknown area, the cost recovery plan must map out how information is gathered, organized, filed and shared throughout the long cost recovery process.

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Department of Homeland Security - Office of the Inspector General audits cite one out of every three agencies they audit for documentation failures. In some cases, the documentation may have existed, but became lost or misplaced. Without a methodology to manage the work flow, colleges and universities will not be able to recognize the problems that inevitably arise and correct them before critical information is forever lost. This process will have common roots for the different elements of the university family, but will also have variations since each entity has a different organizational structure.

**Recommendation:** Develop a common but flexible work flow process that each element of the university can adapt to ensure effective management of all disaster and recovery documentation required for both university business and the cost recovery program.

**Time line:** This project will take one to two years, depending on how involved it becomes, and it will be a continuing effort once initiated to ensure compliance with changing Federal regulations and university business practices.

**Added Benefit:** Working on this element would address a need for most, if not all the university elements. Properly written, this plan would be seamlessly incorporated into a comprehensive disaster cost recovery plan.

### **The Risk Management Section**

Most universities have a risk management function within their operational structure. However, in audits almost one in four government and academic agencies have findings that deal with insurance issues of one kind or another. Furthermore, insurance issues come into play in every Project Worksheet written by FEMA. By incorporating a Risk Management component into the overall cost recovery plan, the universities should be able to avoid many of the most common issues both in dealing with FEMA and the Office of Inspector General. Risk managers have an important role in cost recovery and well informed risk managers can help expedite cost recovery and help improve cash flow by taking prompt action after a disaster. There are some very unique aspects to insurance that never arise within the normal practice of risk management, but can be significant in the disaster cost recovery process.<sup>6</sup> These issues include FEMA's allocation of insurance policy proceeds and the general ineligibility of university construction projects for FEMA reimbursement.

**Recommendation:** Establish a Risk Management Sub-Committee to work on cost recovery issues and develop a model Risk Management/Cost Recovery work plan.

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<sup>6</sup> FEMA Disaster Assistance Fact Sheet, DAP 9580.3, Insurance Considerations for Applicants

**Time line:** Depending on how involved it becomes, it probably would be a one to two year project, with a continuing effort thereafter.

**Added Benefit:** Universities with risk managers that are aware of the unusual requirements of Federal disaster recovery laws and regulations will be often able to completely side step common procedural issues that stall repair and reconstruction projects, by making rapid insurance assessments and providing the required insurance policy documentation to FEMA.

### **The Damage Assessment Section**

Damage assessment is a critical first phase following the immediate aftermath of a disaster. It is also a complex process that is not well understood, nor seldom well executed. Within a month of the Northridge earthquake, the damage estimate was just under 4 billion dollars. Four years later, the damage estimate was just under 16 billion dollars. Some of this is unavoidable, but in part, it is also the lack of having a comprehensive damage assessment plan that considers all the elements and accounts for so-called “hidden” damage<sup>7</sup>.

Universities seldom have comprehensive disaster damage assessment plans. Often the damage assessment is visualized as a function of the facilities department. However a number of other departments and functions often play a significant role in damage assessment. This is a significant issue. Damage assessment is a multi-stage, multi-level process and the work of building inspectors is only the first step. The process also involves facilities departments, I.T. departments, office occupants, risk managers, facilities departments, environmental health and safety departments, and Emergency Operations Centers and Department Operations Centers when they are stood up. Additionally, any department that is subject to either actual or potential disaster damage is a de facto participant in the damage assessment process. Except for the initial safety assessment done by the building inspectors, damage assessment is not eligible for reimbursement. Therefore the better organized the process is, the less time and money it should take. Furthermore, the first critical phase in the damage assessment process must be completed within 60 days to qualify the damage for Federal disaster assistance.

**Recommendation:** Create a Damage Assessment Planning group to create a model damage assessment plan that works regardless of the size and organizational structure of the participants.

**Time line:** This process would take one to two years and depending on how involved it

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City of San Carlos City Hall, Second Appeal Summary, FEMA-0845-DR; PA ID# 081-65070; 04/16/1999

becomes, and it probably should be a continuing effort with an annual review to maintain currency.

**Added Benefit:** Rapid, well planned damage assessment will result in more damage being captured for FEMA reimbursement within the 60 day eligibility window for listing projects.

### **Pre-Disaster Photo Documentation Section**

In every loss situation, whether caused by a small fire, minor accident, or catastrophic disaster, the property owner must document their losses. Insurance companies require this, as does FEMA. Current written inventories of buildings, equipment and supplies are a first step. But having a thorough photographic record of the damaged or destroyed property is equally important. Photographs tell the loss story in a more dramatic and complete way than mere paper records. Having a full set of pre-disaster photographs makes the damage documentation even more accurate and more powerful. A systematic photo documentation project can be easily made and at a relatively low cost by using volunteers, interns, light duty workers or students. With digital photography, costs are very minimal, for cameras, batteries and portable hard drives.

**Recommendation:** Establish a photo documentation program for all the entire university and periodically update the photographic record as facilities are newly constructed or renovated.

**Time line:** This process would take several months to complete, but can be done at very low cost.

**Added Benefit:** Pre-disaster photo documentation also provides an “inventory” of damaged or destroyed building contents. It also assists in the damage assessment process.

### **The Debris Management Plan**

Universities seldom have a disaster debris management plan, a debris monitoring plan, or pre-existing contracts for either debris removal and debris monitoring. These are significant shortfalls since FEMA spends upwards of 40% of its funding on debris removal in some disasters. Furthermore, the debris removal process is often rife with fraud and error on the part of the contractors, when they are not closely monitored. Both FEMA and the Office of the Inspector General carefully scrutinize debris management programs to protect the Federal Treasury, but the burden of proof falls on the university to prove that it effectively managed the process. The Debris Management Plan may properly be the direct responsibility of the Facilities Department, but the

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quality of the plan or even its very existence can have a significant impact on cost recovery, and therefore is of serious concern to those involved with cost recovery.

**Recommendation:** Develop both a campus wide debris management and a debris monitoring program. Include the development of pre-event contracts for both functions to ensure clean-up in the least time and the least cost, with a maximum reimbursement.

**Time line:** This is a longer term project that needs to integrate a number of university functions to ensure a fully functional program.

**Added Benefit:** Federal regulation now includes both positive and negative financial incentives for those agencies that rapidly clean up disaster debris, or fail to do so. Without a plan in place before a disaster, more of the cost of debris removal is borne by the university.

### **The Debris Monitoring Plan**

Because of the extraordinary high cost of debris removal and the high incidence of fraud, waste and error in the process, FEMA requires each applicant (the university, in our case) to separately monitor the contractors hired to do the debris collection, hauling, and disposal. Applicants can do this with their own employees, but those employees are not trained in debris monitoring and typically have other disaster related duties to perform, particularly Public Works or Facilities department employees. Therefore, it is prudent to hire an experienced firm to manage the monitoring process. And like the debris removal itself, the debris monitoring activity is a 75% Federally reimbursable expense.

As with the Debris Management Plan, the Debris Monitoring Plan may properly be the direct responsibility of the Facilities Department, but the quality of the plan or even its very existence can have a significant impact on cost recovery, and therefore is of serious concern to those involved with cost recovery.

**Recommendation:** Incorporate planning for debris monitoring into the debris planning process.

**Time line:** This is a longer term project, dependant on working with the debris management planning group. A debris plan should be in place before a debris monitoring plan can be developed.

**Added Benefit:** Having a debris monitoring plan in place will reduce potential exposure to DHS-OIG audits.

### **Pre-Existing Contracts for Debris Management and Monitoring**

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Pre-existing contracts for both debris management and debris monitoring are the other half of the total debris equation. Without timely and effective monitoring, the entire clean-up reimbursement is endangered. Universities should have both contracts in place before a disaster. 2013 changes in the law<sup>8</sup> include both financial incentives and financial dis-incentives for debris management. These changes provide an even greater rationale for developing both debris plans and pre-event contracts.

**Recommendation:** Once the requisite plans are in place, go to bid on contracts for a debris monitoring contract.

**Time line:** This is a longer term project, co-dependant on the work of the debris management planning group. A debris monitoring plan must be in place before a contract can be bid that meets FEMA's requirements.

**Added Benefit:** As with having a debris removal plan, the debris clean-up will begin much sooner and the university community will be cleaned up in much less time than otherwise possible at less cost than otherwise possible without plans and pre-event contracts.

### **Donations Management Section (Policy and Procedures)**

Universities are in a continual process of fund raising, both for routine expenses and large capital projects. However, following a disaster, improperly accepted donations, both monetary and in-kind, can cause the university to potentially lose millions of dollars raised to repair and rebuild the campus.<sup>9</sup> Those that do have a policy may or may not include language that addresses an aspect that could nullify the generosity of donors. Specifically, when an eligible agency receives donations, FEMA may construe such donations as a duplication of benefits, and reduce the amount of Federal funding by an amount equal to the donations.

A different aspect of accepting donated goods and services is to protect the university from later being invoiced for the "donated" goods and services. A simple donations form can protect the university from honest misunderstandings that sometimes arise. The same form can serve as a receipt to accurately value the donations so they can be counted towards offsetting the university's cost share of disaster expenses, which reduces the university's total out of pocket costs for the emergency work done in response to the disaster.

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<sup>8</sup> Sandy Recovery Improvement Act of 2013

<sup>9</sup> FEMA Public Assistance Grant Funds Awarded to Jesuit High School, New Orleans, Louisiana; Audit DD-11-21

**Recommendation:** Draft a model disaster donations policy that includes the language necessary to protect donations from being considered a duplication of benefits, and provide receipts for in-kind donations. From the policy, draft a working plan for effectively implementing the policy.

**Time line:** Appoint a committee to review existing model policies and donations forms. This could take a few months to a year.

**Added Benefit:** This would protect the agency from making purchases that might inadvertently violate purchasing regulations by clearly identifying donations as donations, and purchases as purchases.

### **The Volunteer Section**

Volunteers are an important part of the fabric of any university community. Volunteers achieve things universities might only otherwise dream about. Following a disaster the valuable work of volunteers becomes even more important because the Federal government allows universities to place a dollar value on the volunteer's time, and this dollar value can be applied to the universities' cost sharing requirement, for emergency protective measures and debris clearance. This can potentially save a university millions of dollars when properly done in a major disaster.<sup>10</sup>

**Recommendations:** Provide a training program for all university personnel that work with volunteers and conduct an out-reach to local volunteer organizations that would respond to a disaster.

**Time line:** This is a program that can be initiated within months. However, it would take an ongoing effort to maintain it.

**Added Benefit:** When the university effectively tracks disaster volunteer hours, post-disaster volunteer recognition becomes easier.

### **The Purchasing / Procurement Section**

Disasters always seem to be a surprise, but they should never be. We live on a perilous planet and disasters are almost a daily occurrence somewhere. What is unpredictable is the timing and the location. Provident leaders and managers can reasonably anticipate emergency needs for many items, food, water, porta-potties, fuel, blankets, etc. The primary advantage of having a plan is the ability to procure critically needed supplies in a timely manner. The secondary benefit is to obtain urgently needed goods at favorable prices. The tertiary, but most important benefit is that

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<sup>10</sup> See Project Worksheet for Joplin, MO; FEMA 1980DR MO; JP-030; 12-07-2011

properly procured goods will get FEMA reimbursement, without the concurrent risk of an audit; furthering the university's economic recovery. Since a disaster is always potentially around the corner, having a fully Federally compliant procurement policy is critical. In an analysis of 21 audits of school districts, colleges and universities, the author found that a staggering 62% of the institutions audited had failures of their purchasing programs, including one university in which the auditors questioned \$46,000,000 dollars of spending.<sup>11</sup>

**Recommendation:** Develop a university-wide, Federally compliant disaster purchasing program to ensure prompt access to critically needed goods and services in a timely manner at competitive prices through a variety of purchasing methods, including disaster credit cards, disaster purchase orders and pre-negotiated contracts.

**Time line:** This process could take one to two years and require periodic compliance reviews as Federal requirements may change over time.

### **Policies: Standard Clauses for Real Estate Contracts**

While universities are most often identified by their campuses, they often lease off-campus facilities from private property owners, and occasionally themselves lease university facilities to private for-profit businesses and or private non-profit agencies. They also participate in so-called "public-private" partnerships. Each of these lease-rental arrangements can be fraught with peril if they are not properly and clearly structured regarding the responsibility for maintenance, repairs and re-construction when they are subject to disaster damage.<sup>12</sup>

Such leases can be the source of serious financial problems following a disaster. In the case of leasing property to a private-for-profit business, the eligibility of the leased building will either be reduced or eliminated altogether, depending on how much of the building is leased, or in some cases, how often it is used by a private-for-profit business.<sup>13</sup>

When a public or private non-profit university, leases a building or portion thereof to another government agency or private-non-profit agency, the language in the lease, or

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<sup>11</sup> FEMA Should Recover \$46.2 Million of Improper Contracting Costs from Federal Funds Awarded to the Administrators of the Tulane Educational Fund, New Orleans, Louisiana; DHS-OIG Audit DD-12-10

<sup>12</sup> Jefferson Community and Technical College Foundation, Inc.; 1855-DR-KY; PA ID# 111-UK8D9-00

<sup>13</sup> White Memorial Medical Center, Medical Office Buildings # 1700 & 1710 Caesar Chaves Ave.; FEMA-1008-DR; PA ID# 037-90312; DSR ID# 91338 & 91339

its absence can imperil its eligibility depending on how the legal responsibility for repairing disaster damage is assigned in the lease agreement. Typically, this is not an issue considered when facility lease agreements are drawn up. Non-existent or ambiguous language can place the agency with the ultimate responsibility in a Catch-22 situation, where they could have easily gotten reimbursed if the specific language in the lease had assigned the responsibility in a clear and unambiguous manner.

**Recommendation:** Conduct a training session for university attorneys, real estate and facilities personnel to educate them on the applicable Federal regulations dealing with eligibility issues.

**Time line:** This should be a two to three hour session, with additional follow up time for implementation.

**Added Benefit:** Universities may develop policies regarding leasing property that will protect their eligibility in future leases.

### **Summary and Recommended Priorities**

Disaster cost recovery has a wide reach into almost every department within a university when disaster strikes. However, this wide reach is also not often realized during the normal day-to-day pre-disaster operations of a university. We hope that we never have to run the gauntlet of disaster recovery, but when necessary, having effective plans and easily workable processes is absolutely essential to success.

**Priority #1:** Address the matter of purchasing policies and ordinances that do not comply with Title 44 of the Code of Federal Regulations §13.36 and 2 Code of Federal Regulations §215.

**Rationale:** Over 60 percent of recent DHS-OIG audits of educational institutions cite purchasing non-compliance issues as a finding. This is the single most frequent finding by the OIG. See Appendix “A” (Audit Analysis of Libraries, Schools, and Universities by Department of Homeland Security, Office of the Inspector General). As much as 80% of university disaster assistance funding is spent under contract subject to 44 CFR §13.36 and 2 Code of Federal Regulations §215. This is the greatest single audit exposure for universities.

**Priority #2:** Address the matter of creating plans and contracts for disaster debris management and monitoring.

**Rationale:** Nationally, FEMA spends millions of dollars on debris management. The risk of fraud, waste, error and mis-management is extreme and both FEMA and the DHS-OIG auditors closely scrutinize this category of work, often with serious financial

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repercussions for universities.

**Priority #3:** Begin development of a separate, stand alone disaster cost recovery plan, suitable for use by the university.

**Rationale:** Without having an organized and clearly defined approach to the disaster cost recovery process, the university will be in a totally reactive mode following a disaster. The university will be continually responding to the requirements of FEMA and the state Office of Emergency Services, without the ability to develop and execute a strategy of its own to maximize the cost recovery. Universities will be unaware of some of the most fundamental issues that might positively or negatively affect their financial recovery.

**Priority #4:** Develop and implement a disaster damage assessment program with a model plan, that covers all departments and functions within the university.

**Rationale:** Disaster damage assessment is a critical early step in the financial cost recovery and in the overall disaster recovery process. Damage assessment is not a fast, easy, nor a simple process. Lack of a working plan will contribute to overlooked damage. Failure to quickly and completely capture all the damage will handicap the university for years to come. Damage not reported within 60 days of the disaster declaration, is almost never eligible for Federal reimbursement.

**Priority #5:** Develop a unified disaster volunteer management and tracking plan to capture the economic value of volunteers, cash and in-kind disaster donations.

**Rationale:** Following a disaster, volunteers will arrive en masse to assist in a hundred different ways, whether they are requested or not. The economic value of this valuable resource will be wasted if not documented according to Federal regulations. For the universities, this could amount to millions of dollars either captured and used, or wasted. As this program is established, it should raise awareness among local non-profit partners regarding their own disaster planning efforts.

### **Key Priorities**

Preparation, adoption and implementation of these priorities could easily be far more important to the total cost recovery process than anything done after the disaster occurs because these priorities set the stage for an effective and well coordinated cost recovery response. Certain other policies can only be adopted prior to the disaster onset. Once the disaster happens those opportunities are forever lost for that disaster. Disaster specific policies have some very unique and specific requirements that must be met to protect the university's eligibility.

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**Additional Priorities:** Every item listed in this report has substantial value for cost recovery and is worth doing. Some items are short term gains and easily achievable. Other items are more intermediate in their time lines and still others will be longer term projects. This paper can serve as the basis for developing a strategic plan for cost recovery that will ensure the university can maximize its disaster cost recovery with a minimum of disruption to its primary functions.

## **Summary**

This paper presents some of the major issues involved in disaster cost recovery that have affected colleges and universities. But this paper is certainly not an exhaustive list of the problems that have occurred in the past, costing institutions of higher learning millions and tens of millions of dollars in audit findings and FEMA de-obligations.

There are excellent resources available on the FEMA.gov website which can provide a wealth of information on the disaster cost recovery process and the pitfalls awaiting those who are unfamiliar with the plethora of Federal regulations that govern the Public Assistance process.

This is an area virtually untouched by academic and applied research, except by experienced consultants in the private sector. The academic community as a whole would be well served to further investigate the issues and prepare to deal with future events.