



Use Disaster Funds Wisely

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PASADENA, Calif. -- People who receive federal and state disaster grants must follow the letter -- the letter from the Federal Emergency Management Agency or the state of California that explains how to use disaster funds.

Grants are tax free and are not a loan. They do not have to be repaid. They are not counted as income for welfare or other federal and state benefit programs, and they cannot be garnished.

Grants must be used as intended. "Every recipient receives a letter that outlines how the money can be spent," said Mark Neveau, federal coordinating officer.

Housing funds may be used for:

- Repairs to return the home to a safe and functional condition: These may include repairs to windows, doors, water and ventilation systems, or other structural parts of a home;
- Reimbursement for hotel or motel lodging expenses directly related to the disaster: Receipts for these expenses will be requested if the home sustained damages;
- Rental assistance: Applicants who must remain in temporary housing for a longer period than the initial assistance covers may request additional assistance until their home can be re-occupied or other permanent housing arrangements can be made; or
- Rebuilding a home that has been completely destroyed.

"All expenditures must be disaster-related. To ensure future consideration for disaster assistance, use grant money as outlined in the letter, " said Tom Maruyama, state coordinating officer.

Grants may be subject to an audit. Each recipient is responsible for spending the money as intended. Recipients are strongly encouraged to fully document their disaster-related expenses. They must keep receipts or bills for three years to demonstrate how all of the money was used in meeting disaster-related needs.

FEMA coordinates the federal government's role in preparing for, preventing, mitigating the effects of, responding to, and recovering from all domestic disasters, whether natural or man-made, including acts of terror.