Payment Integrity Scorecard

Program or Activity
Federal Emergency Management Agency (FEMA) - Public Assistance - Validate as You Go

Reporting Period
Q1 2025

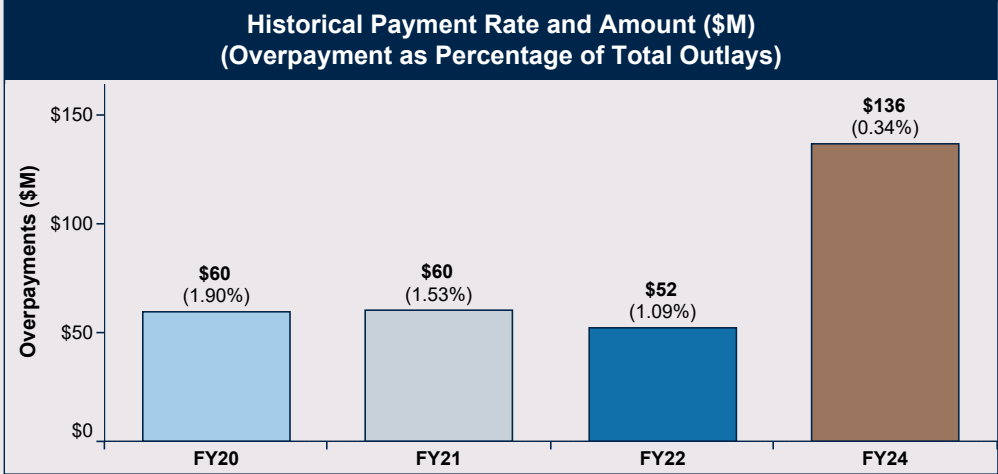**FY 2024 Overpayment Amount ($M)*** — **$136**

*Estimate based a sampling time frame starting 10/2020 and ending 9/2022

Department of Homeland Security
Federal Emergency Management Agency (FEMA) - Public Assistance - Validate as You Go

Brief Program Description & summary of overpayment causes and barriers to prevention:

The Federal Emergency Management Agency (FEMA) Public Assistance program provides supplemental grants to state, local, tribal, and territorial (SLTT) governments, and certain types of private non-profits for emergency response and long-term disaster recovery efforts. Due to the nature of the Public Assistance program, FEMA is reliant on additional parties, such as states, territories, etc., to oversee and execute payments on behalf of the program. The barrier related to the expansive COVID disaster size and the level of burden to collect the necessary supporting documentation serves as a limitation to FEMA in improving the prevention of improper payments due to the inability to readily match information related to financial eligibility.

Historical Payment Rate and Amount ($M)
(Overpayment as Percentage of Total Outlays)

Bar chart — Overpayments ($M):
- FY20: $60 (1.90%)
- FY21: $60 (1.53%)
- FY22: $52 (1.09%)
- FY24: $136 (0.34%)

Discussion of Actions Taken in the Preceding Quarter and Actions Planned in the Following Quarter to Prevent Overpayments

In FY 2025 Quarter 1, FEMA communicated the payment integrity testing results for the Public Assistance Validate as You Go (VAYGo) program to the Public Assistance personnel. Discussion focused on the established corrective action plan to detail the causes of error related to monetary loss and reinforce the importance of corrective actions and recoupment efforts. In addition, the Public Assistance program began the update process for the Public Assistance Program and Policy Guide (PAPPG), with publication planned for FY 2025 Quarter 2. In FY 2025 Quarter 2, FEMA will have published the updates to the PAPPG and be well into the annual payment integrity process to review disbursement activity, evaluate risks, and conduct statistical testing for programs determined to be susceptible to significant improper payments, including statistical testing over the FY 2023 disbursement activity of the Public Assistance VAYGo program. As ongoing efforts, FEMA remains focused on training, both internally for FEMA personnel as well as externally to SLTTs and recipients. Coupled with the increased knowledge and skillsets, enhancements to automation remain ongoing to continuously improve and enhance the Grants Manager and associate VAYGo Module to reduce recipient burden and enable more efficient and thorough documentation collection and collaboration.

	Accomplishments in Reducing Overpayment	Date
1	In FY 2024, 74.0% of Public Assistance applicants were satisfied with the process and customer service. Applicants' satisfaction with the overall customer service (82.0%) and the helpfulness of Public Assistance staff in guiding through the process (84.3%) remain highest.	Sep-24
2	Published the Third Edition of the National Disaster Recovery Framework (NDRF) which outlines the federal government's approach for providing disaster recovery resources. The NDRF enhances collaboration among federal agencies and SLTTs and informs nongovernmental partners.	Dec-24
3	Successfully recovered $22.1 million in excess COVID related funding paid to an applicant thus reinforcing accountability and ensuring proper stewardship of federal resources.	Dec-24

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	Goals towards Reducing Overpayments	Status	ECD
1	Accelerate the identification and recovery of overpayments by streamlining post-payment reviews and recoupment processes. This includes increasing coordination with regional offices, establishing clear timelines for fund recovery, and ensuring recipients adhere to Final Reconciliation Report requirements.	On-Track	Dec-25
2	Strengthen internal controls and oversight measures to reduce improper payments. This includes improving recipient training on compliance with 44 CFR Part 206 and 2 CFR Part 200 and leveraging data analytics to identify risk areas.	On-Track	Dec-25

	Recovery Method	Brief Description of Plans to Recover Overpayments	Brief Description of Actions Taken to Recover Overpayments
1	Recovery Activity	Advise recipients of requirements to recover overpayments as outlined in following FEMA Instruction (FI) 116-1-1 - Identification and Collection of Monies Owed from Non-Federal Entities.	Mandate required documentation from recipients to substantiate claimed costs, reducing the likelihood of unsupported expenditures and updated policy documentation, as applicable. Continued to provide comprehensive training to recipients on compliance requirements and proper fund utilization to prevent overpayments.
2	Recovery Activity	Provide technical assistance to recipients on overpayment recovery methods and best practices and find opportunities to streamline state overpayment recovery efforts.	FEMA has continued to work through unknown payments to validate while also working to recover known overpayments. In FY 2025 Quarter 1, FEMA has recouped over $22 million and continues to seek recover for other monetary loss through interactions with SLTTs and recipients.
3	Recovery Activity	Explore additional opportunities to improve overpayment recovery and/or the potential need for additional guidance regarding overpayment recovery.	The FEMA VAYGo Headquarters team has conducted FY 2025 Quarter 1 meetings with the Public Assistance Division to develop mitigation strategies and to address risks and issues related to regions, recipients, and sub-recipients that are most significantly contributing to the programs improper payment and overpayment rates.

Amt($)	Root Cause of Overpayment	Root Cause Description	Mitigation Strategy	Brief Description of Mitigation Strategy and Anticipated Impact
$136M	Overpayments within agency control that occurred because of a Failure to Access Data/Information Needed.	Administrative processing issues and inadequate data / information collection primarily related to the financial related information.	Change Process altering or updating a process or policy to prevent or correct error.	Areas for potential improvement and enhancement are continuously sought. Upon review, planned improvements are captured in iterative updates to the VAYGo processes and documented in the VAYGo Guide providing clear instruction and guidance for regions, SLTTs, and recipients.
			Training teaching a particular skill or type of behavior; refreshing on the proper processing methods.	Training for staff will continue related to execution of proper procedures for reviewing documentation and approval of payments. External training directly focused on regional contacts and SLTTs will continue via workshops, roadshows, and the Emergency Management Institute.
		Requests for information is broad, and barriers specifically related to the expansive disaster size increased the inability to readily collect information in a timely manner and match data related to financial eligibility as outlined in FEMA policies and federal regulations.	Automation - automatically controlled operation, process, or system.	FEMA Grants Manager has workflows to support the request for information as well as the recipients' ability to upload documentation. As an ongoing effort heavily focused through September 2026, FEMA will continue to identify potential enhancements to the Grants Manager.

The Public Assistance program faced an unprecedented impact due to the COVID pandemic which disrupted traditional processes and led to delays in documentation availability. Due to the nature of the Public Assistance program, FEMA is reliant on additional parties, such as states, territories, etc., to oversee and execute payments on behalf of the program. The barrier related to the expansive COVID disaster size and the level of burden to collect the necessary supporting documentation serves as a limitation to FEMA in improving the prevention of improper payments due to the inability to readily match data and information related to financial eligibility. For the 24-month disbursement period, fiscal year (FY) 2021 and FY 2022, that was reported in FY 2024, the program reported $136 million in projected monetary loss as well as an additional $1,396 million in unknown payments. Since publishing the FY 2024 reporting, FEMA has continued to work through unknown payments to validate while also working to recover known overpayments. In FY 2025 Quarter 1, FEMA has recouped over $22 million and continues to seek recover for other monetary loss through interactions with SLTTs and recipients. To mitigate future overpayments, FEMA has prioritized remediation efforts associated with automation, training, and change process to enhance documentation collection, enforce payment review processes, and reduce burden for recipients while enhancing Public Assistance payment integrity.