Payment Integrity Scorecard

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

Reporting Period
Q2 2025

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

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

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)

	FY20	FY21	FY22	FY24
Overpayments ($M)	$60 (1.90%)	$60 (1.53%)	$52 (1.09%)	$136 (0.34%)
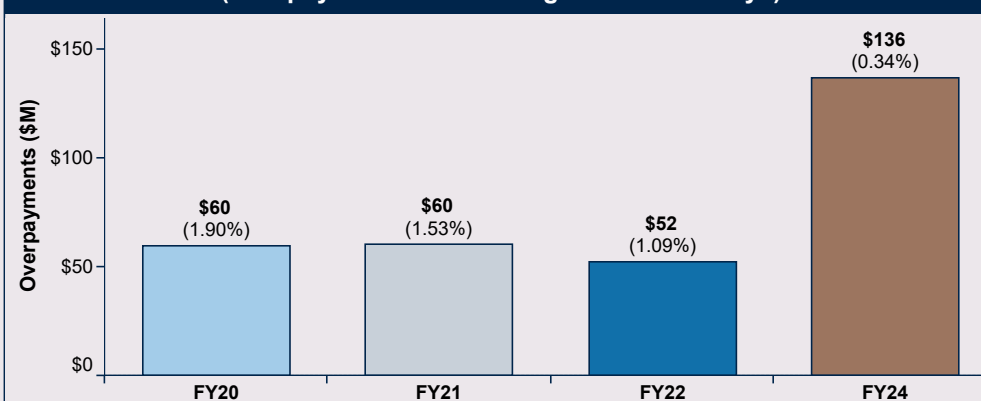
Discussion of Actions Taken in the Preceding Quarter and Actions Planned in the Following Quarter to Prevent Overpayments

On January 6, 2025, FEMA published Public Assistance Program and Policy Guide (PAPPG), which simplifies eligibility, streamlines processes, increases accessibility and supports resilience for SLTT governments and certain nonprofits that are recovering from disasters. The guide is the authoritative document for Public Assistance policies and reflects FEMA's continued commitment to improving access to its Public Assistance program and enhancing recovery outcomes. It was revised based on feedback from states, Tribal Nations, territories, nonprofits and the public during a 60-day public comment period. As ongoing efforts, FEMA remains focused on training, both internally for FEMA personnel as well as externally to SLTTs and recipients. In FY 2025 Quarter 2, FEMA delivered targeted VAYGo training to over 40 Consolidated Resources Center (CRC) Atlantic staff to improve the application of documentation standards. To further ensure uniformity in project development, the team at the CRC Atlantic, located in Puerto Rico, works closely with the FEMA Central Office for Recovery, Reconstruction and Resilience. In FY 2025 Quarter 3, FEMA plans to continue validating FY 2023 VAYGo program disbursements, expand training for high-risk recipients, and advance automation in Grants Manager and the VAYGo module to enhance data quality and support timely recoupment or overpayments.

	Accomplishments in Reducing Overpayment	Date
1	Issued Version 5.0 of the Public Assistance Program and Policy Guide (PAPPG). Significant updates in this edition include policy changes related to Tribal Nations, resilience and mitigation, and adjustments based on Title 2 Code of Federal Regulations (C.F.R.) updates.	Jan-25
2	Delivered targeted VAYGo training to over 40 Consolidated Resources Center (CRC) Atlantic staff on February 20th at the Joint Recovery Office in Guaynabo, Puerto Rico to improve the application of documentation standards and compliance with statutory requirements.	Feb-25
3	FEMA has completed the review of approximately 74% of the statistically valid samples selected from the VAYGo program's FY 2023 disbursement activity. Follow-up with SLTTs and recipients is ongoing, as needed, to obtain necessary documentation and/or to recoup overpayments.	Mar-25

Payment Integrity Scorecard

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

Reporting Period
Q2 2025

	Goals towards Reducing Overpayments	Status	ECD
1	Accelerate the identification and recovery of overpayments by streamlining post-payment reviews and recoupment processes. To enable this action, FEMA intends to increase coordination with regional offices, establish clear timelines for fund recovery, and ensure recipients adhere to Final Reconciliation Report requirements.	On-Track	Dec-25
2	Strengthen internal controls and accountability to reduce improper and unknown payments. Actions include targeted recipient training on 2 CFR 200 and 44 CFR 206, advanced use of VAYGo testing results, integration of policy updates from PAPPG Version 5.0 into operations, 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. FEMA 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.	In FY 2024, DHS identified an estimated $136 million in overpayments for this program associated with the 24-month period of disbursement activity that occurred in FY 2021 and FY 2022. FEMA 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.	In Quarter 2, FEMA VAYGo Headquarters continued coordination with the Public Assistance Division to implement mitigation strategies for regions and recipients with elevated improper payment rates. Efforts focused on aligning training with PAPPG Version 5.0 updates, improving documentation quality, and reducing validation cycle times.

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.	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.
			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.
		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 thus far, FEMA 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.