

It is the responsibility of the Local Board to establish a written appeals process. That process may be simple or elaborate, depending on the needs of the community.

(b) *Appeals guidelines.* The appeal process should meet the following guidelines:

(1) It should be available to agencies and to the public upon request;

(2) It should be timely, without undue delay;

(3) It should include the basis for appeal (e.g., Provision of information not previously available to the group making the appeal or to the Local Board; correction of erroneous information; violation of Federal or National Board guidelines; or allegation of bias, fraud, or misuse of Federal funds on the part of the Local Board may be cause for appeal);

(4) The decision should be communicated to the organization making the appeal in a timely manner. In the case of an appeal on the basis of fraud or other abuse of Federal funds, the agency making the appeal must be informed of the right of referral to the National Board;

(c) *Primary decision maker.* Except for cost and LRO eligibility, the Local Board is the primary decision maker. Only when there is significant question of misapplication of guidelines, fraud, or other abuse on the part of the Local Board will the National Board consider action.

(d) *Common appeals practices.* The National Board does not mandate any particular appeals process. However, some Local Boards have developed processes which work well for them and may offer some help to other communities. Common practices include the following:

(1) Set a time period of not more than 30 days for agencies or organizations to appeal a funding decision;

(2) Require written notice of appeal, signed by the Chief Volunteer Officer of the organization making the appeal;

(3) The first level of appeal is usually to the Local Board, or to an executive committee of the board;

(e) *Appeals boards; delegations.* Some boards appoint one or more members to act as a liaison with the organization making the appeal:

(1) In the case of an appeal for the purpose of providing previously unavailable information or correction of erroneous information, the process usually ends with prompt notification of decision (within ten working days of appeal).

(2) In the case of appeals for the purpose of contesting alleged prejudice, violation of law or National Board

guidelines, fraud, or misuse of Federal funds, some boards have allowed appeals to a group other than the board itself. This practice is not mandated but is permitted by the National Board. Such groups vary. They may simply be composed of different individuals representing the same organizations that make up the Local Board. They may also include an entirely different group of persons who have knowledge of the program and are deemed by the board to be both responsible and unbiased, and to hold the trust of the community at large.

(3) If the board chooses to delegate authority to any third party in an appeals process, the power and authority of that body should be clear. Is it simply advisory to the Local Board? Will the board abide by the decisions of this body as long as they are consistent with the law and the National Board guidelines?

(4) The disposition of appeals is often communicated by telephone to the chief professional and volunteer officers of the organization appealing immediately after a decision is made. In such cases, a written communication is sent as soon as possible confirming the action taken. The written communication is, of course, the official notification.

(f) *National Board role.* It is important to reaffirm that no single appeals process is mandated or advised by the National Board.

Section 5.0 Variances and Waivers

(a) *Variances.* Local Boards may receive requests for variances in the budgets they have approved for LROs. Local Boards may allow such changes provided that the requested items are eligible under this program. If there is any doubt on the part of the Local Board as to eligibility, it should contact the National Board for clarification.

If an expenditure requested by an LRO falls outside the program guidelines, the Local Board, if in accord, should request in writing a waiver from the National Board in advance of the expenditure.

(b) *Waivers.* Waivers requested because of a compliance exception must be submitted to the Local and then National Board for review. National Board staff will evaluate waiver requests and use discretion to approve or deny requests. In general, the National Board considers waiver requests that are not within the guidelines, but address the program's intent.

The waiver request from the Local Board should clearly state the need for this exception, approximate costs, timelines or any other pertinent

information it deems necessary for the National Board to make their decision.

Section 6.0 Reporting Requirements

Local Boards must monitor LROs' expenditures and eligible cost compliance throughout the program period. An interim report of expenditures is due to the National Board with each LRO's second/third check request. A final report (accompanied by financial documentation for specified LROs) is due one month after the end of each jurisdiction's program. The National Board will provide forms for all required reports. The National Board advises Local Boards to request at least one other report from their LROs at a time deemed appropriate by each Local Board.

LROs that successfully completed previous program compliance reviews and are receiving funds under this program may not be required to submit documentation with their final reports unless specifically asked to do so by the National Board; however, successful completion does not mean automatic exemption from submission. Documentation will be required for LROs not funded in the previous phase of the program.

Failure of an LRO to comply with the National Board's reporting requirements may result in its funds being held in escrow. Funds will be held until all reporting requirements have been satisfied. If an LRO does not comply in a timely manner, the Local Board or National Board may reclaim and reallocate the funds being held in escrow.

The National Board will compile the reports it receives from the Local Boards and submit a detailed accounting of use of all program monies in the form of a report to FEMA.

If the Local Board discovers lack of documentation, ineligible expenditures or any other problem in an LRO report, it should contact the LRO and attempt to correct the problem before submitting the report to the National Board. If the National Board discovers a problem, it will inform the Local Board and LRO and advise them of the action to be taken. It is the responsibility of the Local Board to continue working with LROs which have compliance problems until they have been cleared by the Secretariat.

To avoid compliance-related problems, the Local Board should ensure that LROs have a thorough understanding of the types of documentation (e.g., canceled checks [both sides], invoices, contracts, lease agreements, utility bills) they must