

Oklahoma's Disaster Mitigation and Recovery Matching Fund Program

POLICIES AND PROCEDURES MANUAL



The Oklahoma Department of Commerce
Community Development Division

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Introduction

As the federal government gradually decentralizes disaster recovery responsibilities, states are asked to assume a larger role in protecting their communities. This changing landscape of disaster mitigation and recovery indicates a shift in financial responsibility. It demonstrates a broader philosophical shift, where resilience is built locally. The State of Oklahoma has established the *Oklahoma Disaster Mitigation and Recovery Matching Fund Program*. This program provides dedicated state funds to eligible entities to help secure and leverage federal funding for hazard mitigation and recovery efforts.

Responsibility

The Oklahoma Department of Commerce (ODOC) administers the *Oklahoma Disaster Mitigation and Recovery Matching Fund Program*. The Fund is held within the State Treasury but managed by ODOC. ODOC is responsible for proper allocation, financial tracking, and program oversight. ODOC establishes standardized reporting formats and promotes public transparency by publishing annual expenditure summaries on its official website.

Definitions

Subrecipient: This refers to the eligible applicant who has been awarded a contract from the Oklahoma Department of Commerce to carry out eligible activities with funds from the *Oklahoma Disaster Mitigation and Recovery Matching Fund*.

Oklahoma Department of Commerce: The State agency that administers the Oklahoma Disaster Mitigation and Recovery Matching Fund Program.

Goals and Objectives of the Program

Goal 1: Leverage Federal and Other Non-State Funds for Disaster Mitigation and Recovery

- Provide matching funds necessary to unlock federal disaster mitigation and recovery dollars under applicable federal laws.
- Maximize the impact of limited state resources by using them to attract and supplement federal and other external funding sources.

Goal 2: Target Funding to High-Risk and Underserved Areas

- Prioritize projects that benefit rural and unincorporated areas that may otherwise lack access to sufficient resources.

Goal 3: Address a Broad Spectrum of Qualifying Hazards

- Support mitigation and recovery projects responding to diverse hazards, including wind, tornadoes, flooding, wildfires, ice storms, seismic events, and manmade threats impacting public infrastructure.

Goal 4: Maintain Fiscal Discipline and Transparency

- Prohibit use of funds for administrative overhead, salaries, or non-project purposes to ensure all expenditures directly contribute to mitigation or recovery objectives.
- Require annual reporting by recipients, summarizing how funds were used and ensuring accountability through transparency.

Where to go for Help

Questions should be directed at:

- Jade Shain (jade.shain@okcommerce.gov)
- Kellon Dixon (kellon.dixon@okcommerce.gov)

Policies and Procedures

Program Website

ODOC hosts a website for the *Oklahoma Disaster Mitigation and Recovery Matching Fund* at <https://www.okcommerce.gov/reporting-compliance/oklahoma-disaster-mitigation-and-recovery-matching-fund-program/>. The website will be maintained to include:

1. **Application Guidance:** This document details *how* to apply for funds.
2. **Policies and Procedures:** This document.
3. **Award Announcements:** After the awards are announced, ODOC will upload a document on the website that details the Subrecipient, the project, and the awarded amount.
4. **Annual Project Summary Report:** A brief report on Subrecipient projects and expenditures.

Eligible Applicants

Eligible applicants are voluntary associations of Oklahoma local governmental jurisdictions (i.e., Substate Planning Districts or Councils of Government).

Use of Funds

The *Oklahoma Disaster Mitigation and Recovery Matching Fund* is designed exclusively to support hazard mitigation and recovery projects eligible for federal matching funds or otherwise consistent with the program's purposes. The overarching intent is to enhance the state's ability to prevent, prepare for, and recover from natural and manmade hazards by leveraging external funding sources.

Note that the program is not contingent on a presidentially declared disaster; however, primary federal funding sources generally are.

Eligible Uses of Funds

Matching Requirements for Federal Programs: Providing the non-federal share of costs required to access federal mitigation or recovery funding, such as FEMA's Hazard Mitigation Grant Program (HMGP), Building Resilient Infrastructure and Communities (BRIC), or other federal aid authorized under disaster declarations.

Planning Activities: Developing hazard mitigation or recovery plans necessary to meet federal requirements or to position jurisdictions to receive future federal funds. This includes vulnerability assessments, benefit-cost analyses, and community engagement efforts related to mitigation planning.

Project Implementation: Construction, repair, or retrofit of public infrastructure directly related to reducing or recovering from damages caused by qualifying hazards, including:

- Flood control measures
- Tornado safe rooms
- Stormwater improvements
- Seismic retrofitting
- Wildfire mitigation efforts
- Ice or snow-related infrastructure hardening
- Emergency power or warning systems

Projects Benefiting Unincorporated Areas: Funds may be used for projects located in or benefiting unincorporated rural areas, so long as the use complies with the act's stipulations and is coordinated through eligible entities.

Ineligible Uses of Funds

Funds shall not be used for the following purposes under any circumstances:

- **Administrative Costs:** No portion of the award may be spent on salaries, benefits, or overhead for any organization.
- **Routine Operations or Maintenance:** Funds may not support recurring services, deferred maintenance, or ongoing operational expenses.
- **Property Acquisition:** Land, buildings, or equipment purchases are prohibited.
- **Transfers Between Accounts or Subaccounts:** Funds are restricted to the account or subaccount from which they are awarded. No transfers across entities or regions are permitted.
- **Non-Matching Standalone Projects:** Projects not tied to a federal matching requirement or consistent with the defined scope of qualifying hazards are ineligible.
- **Political or Lobbying Activities:** Use of funds for advocacy, political campaigns, or lobbying is prohibited.
- **Rehabilitation in the Floodplain:** Funds may not be used to rehabilitate, repair, elevate, reconstruct, or construct any structure, defined under 44 CFR 59.1 as primarily residential in use, if it is located within the 100-year floodplain (i.e., the area with a 1 percent annual chance of flooding). The 100-year floodplain is any Special Flood Hazard Area (SFHA). "SFHA are defined as the area that will be inundated by the flood event having a 1-percent chance of being equaled or exceeded in any given year. The 1-percent annual chance flood is also referred to as the base flood or 100-year flood. SFHAs are labeled as Zone A, Zone AO, Zone AH, Zones A1-A30, Zone AE, Zone A99, Zone AR, Zone AR/AE, Zone AR/AO, Zone AR/A1-A30, Zone AR/A, Zone V, Zone VE, and Zones V1-V30 (<https://www.fema.gov/about/glossary/flood-zones>).

Qualifying Disasters

Under the *Oklahoma Disaster Mitigation and Recovery Matching Fund*, funds may only be used for projects that prevent, reduce, or repair damage caused by qualifying hazards. The statute defines these hazards and represents conditions threatening public infrastructure and community safety. Applicants must demonstrate a clear connection between the requested funding and one or more of the hazards listed below. Projects must address damage from or lessen the future impact of any of the following hazard types:

- **High Winds:** Straight-line winds and damaging gusts outside of tornado events.
- **Tornadoes:** Including EF-rated storms and associated debris impacts.

- **Hail:** Including large-diameter hail events that damage buildings and equipment.
- **Rain:** Including intense precipitation events that overwhelm drainage systems or cause erosion.
- **Flooding:** Flash floods, riverine flooding, and urban surface flooding.
- **Freezing Rain or Ice:** Including ice storms that affect power lines, trees, and transportation.
- **Heavy Snow:** Including snow loads that threaten structural integrity or disrupt critical access.
- **Wildfires:** Including interface fires that threaten developed areas or critical infrastructure.
- **Seismic Disturbances:** Including earthquakes or tremors affecting foundations, utilities, or public buildings.
- **Manmade or Other Hazardous Conditions:** Any condition, natural or manmade, that:
 - It has the potential to cause damage to public infrastructure, **and**
 - Is eligible for federal assistance through a declared disaster by the Governor or under applicable federal law.

Mandatory Letter of Intent Use of Funds

Eligible applicants must submit a Letter of Intent (LOI) to ODOC to be considered for funding through the *Oklahoma Disaster Mitigation and Recovery Matching Fund Program*.

To ensure a more timely and flexible distribution of funds, ODOC will evaluate LOIs quarterly. Applicants must submit an LOI by the 5th day of each quarter (January 5, April 5, July 5, and October 5) to be considered for that quarter's funding cycle. Once received, ODOC will calculate the available funding and post that amount on the website.

Any unobligated funds remaining after the quarterly review will be redistributed among LOI-submitting applicants based on the Award Formula outlined in Section 2.4. ODOC's Community Development Division also retains the discretion to recapture and reallocate unobligated or unspent funds at any point during the fiscal year in response to emerging disaster mitigation or recovery priorities.

Failure to submit a complete LOI by the applicable quarterly deadline will render the applicant ineligible for that quarter's cycle. A sample LOI template is provided in Appendix A.

Other Requirements

At the time of the OKGrants application, eligible applicants must be able to provide:

- Have a recent audit no older than three years with no significant deficiencies.

The Application Process and Funding Cycle

1. Eligible applicants submit the Letter of Intent (**Appendix A**) to ODOC by the 5th day of each quarter (January 5, April 5, July 5, and October 5) to be considered for that quarter's funding cycle.
2. After ODOC has reviewed all submitted LOI's for eligibility, ODOC will:

- a. Notify the applicant of the funding available for their project and begin the application process in OKGrants. The amount of funding will be determined based on the Award Formula.
- b. Once the application has been received in OKGrants, ODOC staff will process the application and make awards.
- c. Notify the applicant of how much funding is available for their project and to begin the application process in OKGrants. The amount of funding will be determined based on the Review Checklist (Appendix B).
- d. ODOC staff will process the application and make awards.

3. All funds must be spent within 12 months of contract execution.

How to Apply

Application Website

Eligible applicants are required to apply through OKGrants ([website link](#)).

Required Documentation for the OKGrants Application

Item 1: Application Summary and Certification

- The Application Summary and Certification is an online form within the OKGrants system. It verifies the application's accuracy and completeness.

Item 2: Detailed Line-Item Budget

- The Detailed Line-Item Budget is an online form in the OKGrants system. The proposed activities should be as specific as possible, as they will form the basis of the contract and project budget should the subrecipient receive funding.

Item 3: Audit

- All applicants must submit a current audit under [Oklahoma Administrative Code Title 150 Chapter 1 Subchapter 21](#).

Item 5: W-9

- This form must be completed and submitted to OKGrants. The W-9 form (Taxpayer Identification Number & Certification) must be filled out and uploaded as part of the application process.

Item 6: Verification of Leverage

- This form must be completed and submitted in OKGrants to identify the federal funds used with the *Oklahoma Disaster Mitigation and Recovery Matching Fund*.

Item 7: Project Description

- Applicants must submit a Project Description that describes the use of funds. The document must contain the following elements:
 - **Title Page:** Agency logo, submittal date, and contact information.
 - **Narrative:** Description of the proposal.
 - **Project Contacts:** Provide the project contacts for the proposal applicant and the community applying to use these funds as a match
 - **Budget Table:** Identify all leverage funding sources in addition to this request.

- **Map:** Provide one to three maps describing the project's location.

Award Formula

Awards will be distributed based on funding availability at the time of application. ODOC has the discretion to approve projects in amounts as the agency sees fit for the best interest of the State. ODOC will make awards on a first-come, first-served basis until funds have been exhausted

ODOC will award quarterly to eligible applicants who submit a qualified Letter of Intent (LOI) by the applicable quarterly deadline.

Awards will be calculated using the following formula:

$$Award_i = (B_q + R_c) / N_q$$

Where:

$Award_i$ = Individual award amount for each eligible applicant in the quarter

B_q = The Base allocation set aside for the current quarter from the annual appropriation. This is typically \$1,250,000 (one-fourth of the \$5,000,000 annual allocation received each July 1). Still, ODOC/CD may adjust this figure each quarter depending on projected demand, disaster severity, or strategic priorities.

R_c = Cumulative unawarded or unobligated funds from all prior quarters or fiscal years.

N_q = Number of eligible applicants with qualified LOIs submitted for the quarter.

Example 1: No Rollover

- $B_q = \$1,250,000$
- $R_c = \$0$
- $N_q = 5$

$$Award_i = \frac{\$1,250,000 + \$0}{5} = \$250,000$$

Example 2: With Quarter Rollover

- $B_q = \$1,250,000$
- $R_c = \$750,000$ (from Q1 and Q2 of current fiscal year)
- $N_q = 4$

$$Award_i = \frac{\$1,250,000 + \$750,000}{4} = \$500,000$$

Example 3: With Prior Fiscal Year Rollover

- $B_q = \$1,250,000$
- $R_c = \$1,250,000$ (from Q4 of previous fiscal year)
- $N_q = 5$

$$Award_i = \frac{\$1,250,000 + \$1,250,000}{9} = \$277,777$$

If no eligible applicants are received for a given quarter, that quarter's B_q is automatically added to R_c for the next round. An example is shown below:

Example 4: No Eligible Applicants in Prior Quarter

Quarter 1

- $B_q = \$1,250,000$
- $N_q = 0$ (no eligible applicants submitted a qualified LOI)
- Result: No awards made. Entire $B_q = \$1,250,000$ is rolled into R_c .

Quarter 2

- $B_q = \$1,250,000$ (standard quarterly allocation)
- $R_c = \$1,250,000$ (unawarded funds from Quarter 1)
- $N_q = 5$ eligible applicants

$$Award_i = \frac{\$1,250,000 + \$1,250,000}{5} = \$500,000$$

As shown, each of the five eligible applicants in Quarter 2 would receive \$500,000.

Recapture of Funds

ODOC/CD can withhold, redistribute, or recapture unobligated funds to address urgent disaster recovery needs or optimize impact.

Reporting Requirements

The Subrecipient must submit a Quarterly Performance Report (QPR) using the OKGrants system by the 10th day of the following months: January, April, July, October, and December.

Monitoring

To ensure eligible applicants comply with *the Oklahoma Disaster Mitigation and Recovery Matching Fund Program* requirements, ODOC will conduct at least one monitoring beginning at the 85% expenditure point.

Monitoring will either be performed virtually or on-site at ODOC's discretion.

The Monitoring Process

1. **Notification to the Subrecipient:** ODOC will coordinate with the Subrecipient to set an on-site or remote date after developing the monitoring strategy. Once a date is agreed upon, a formal notice is sent to the subrecipient. Unless extenuating circumstances exist, this notice will be sent at least two weeks before the monitoring. The notice will detail the monitoring schedule, identify the areas to be reviewed, and list the names and titles of the ODOC DR staff conducting the review. It will also request that the necessary staff be available for the entrance meeting. The notice will confirm any on-site monitoring services required (e.g., conference rooms, telephones, and computers). For remote monitoring, the notice will specify the information and instructions needed to document the review and provide a deadline for submission.
2. **Entrance Conference:**
 - a. Explain how the monitoring will be conducted.
 - b. Identify and confirm key subrecipient staff that will assist during the monitoring.
 - c. Set up or confirm meeting or interview times (including any clients who may be interviewed) and, if applicable, schedule physical inspections.
 - d. Verify the programs/activities to be reviewed and, if on-site, how access to files and work areas will be granted (some program files can be sensitive; some work areas can be hazardous).
3. **Assessment:** Monitoring involves interviews and file reviews to verify and document compliance and performance. It can also include physical inspections if conducted on-site. Within twenty-one (21) days of the monitoring visit, the State's Subrecipient will receive a formal monitoring results letter through email. This letter will summarize the areas reviewed, performance expectations, an analysis of what was found on-site, a conclusion or finding, and, if needed, required responses or actions from the State's Subrecipient.
4. **Communication:** ODOC DR staff will communicate with the Subrecipient throughout the monitoring. This communication will keep the Subrecipient informed about the

monitoring's progress, facilitate discussions of any problem areas encountered, and allow the participant to make "on-the-spot" adjustments or corrections or provide additional information to assist the ODOC DR staff. It also helps minimize surprises for the participant during the exit conference and when the monitoring results are formally communicated in writing.

5. **Exit Conference:** ODOC DR staff will hold an exit conference with the relevant participant officials or staff to discuss initial conclusions at the end of the monitoring review. This helps verify the accuracy and completeness of the information used to base the monitoring conclusions.

Monitoring Conclusions

Decision Categories: After monitoring, ODOC DR Staff will reach one or more conclusions that:

1. Performance was adequate or exemplary.
2. There were significant achievements.
3. Some concerns need to be brought to the attention of the Subrecipient.
4. Technical assistance was provided or is needed; and/or
5. Some findings require corrective actions.

All positive or negative conclusions must be supportable, defensible, and adequately documented.

Findings and Concerns: Where deficiencies are identified, the following procedures apply:

1. **Findings.** Where an identified deficiency results in a finding, the finding must include the condition, criteria, cause, effect, and required corrective action.
 - a. The condition describes what was wrong or what the problem was.
 - b. The criteria cite the regulatory or statutory requirements that were not met.
 - c. The cause explains why the condition occurred.
 - d. The effect describes what happened because of the condition.
 - e. The corrective action identifies the action(s) needed to resolve the problem and, unless inapplicable or extenuating circumstances, should include the time frame by which the participant is to respond to the finding.
2. **Concerns.** Monitoring concerns brought to the Subrecipient's attention should include the condition, cause, and effect. The ODOC DR staff will suggest or recommend actions that the Subrecipient can take to address a concern, based on sound management principles or other guidelines. However, corrective actions are not required for concerns.

Letter: Within 21 days of completing the monitoring, whether on-site or desk review, ODOC DR staff will send written correspondence to the Subrecipient outlining the results. This letter will provide enough detail to clearly explain the areas covered and the basis for the conclusions.

Project Closeout

When the Subrecipient has expended 100% of its funds, it must initiate the closeout process in OKGrants. The procedure to close out the grant is discussed in this guide:
<https://www.okcommerce.gov/wp-content/uploads/Closeout-Walkthrough.pdf>

Complaint Procedures

If a Subrecipient disagrees with a decision made by the Oklahoma Department of Commerce regarding any aspect of program administration, the following procedure must be followed:

Initial Resolution Attempt

The Subrecipient must first request a meeting with the Program Manager to resolve the issue. This request must be submitted in writing via email to:

- Kellon Dixon (Kellon.Dixon@okcommerce.gov); and
- Jade Shain (Jade.Shain@okcommerce.gov)

Upon receipt, a meeting (in-person or virtual, depending on the Subrecipient's preference) will be scheduled promptly.

Escalation to ODOC Leadership

If the matter remains unresolved after this meeting, the Subrecipient may submit a second written request to escalate the issue. A meeting with ODOC's Director of Community Development, Marshall Vogts, will be arranged at that point. This meeting will be the final step in the internal complaint process, and Marshall Vogts' determination will be considered final.

Appendix

Appendix A: Letter of Intent

INSTRUCTIONS

Eligible applicants must complete the Letter of Intent (LOI) form each quarter and submit it to the Oklahoma Department of Commerce. Failure to provide a complete LOI will make the eligible applicant ineligible for that quarter's funding cycle.

PROJECT DETAILS

In under 250 words, describe the project.

What is the project's estimated period of performance (start and end date)?

After reading this Policies and Procedures guide, how will the project meet the goals and objectives of the Oklahoma Disaster and Recovery Matching Fund?

FINANCIAL

The Oklahoma Disaster and Recovery Matching Fund requires federal sources of funding. Describe the sources of federal funding and the amounts. Note that all federal sources must be secured prior to receiving funds under this program.

What is the total project cost?

Does the applicant have any plans if it cannot obtain the full requested amount from the Oklahoma Disaster and Recovery Matching Fund?

ACKNOWLEDGEMENTS

"I understand that no portion of funds received from the *Oklahoma Disaster Mitigation and Recovery Matching Fund* can be used for:

- Administrative Costs
- Routine Operations or Maintenance
- Property Acquisition
- Transfers Between Accounts or Subaccounts
- Non-Matching Standalone Projects
- Political or Lobbying Activities
- Rehabilitation of residential structures in the Floodplain."

Name _____

Title _____

Organization _____

Submit this form by the required deadline each quarter.

Kellon Dixon at Kellon.Dixon@okcommerce.gov

Jade Shain at Jade.Shain@okcommerce.gov

Appendix B: ODOC Review Form

Review	Rating	Note
An eligible applicant submitted the Letter of Intent by the deadline.	Yes/No	<ul style="list-style-type: none">▪ See 4.1 Appendix A.▪ A “No” disqualifies the applicant for this funding cycle.
The applicant submitted the OKGrants application by the deadline.	Yes/No	<ul style="list-style-type: none">▪ A “No” disqualifies the applicant for this funding cycle.
The OKGrants application describes a project that meets one or more qualifying hazards.	Yes/No	<ul style="list-style-type: none">▪ A “No” disqualifies the applicant for this funding cycle.
The OKGrants application identifies one or more federal funding sources for the project.	Yes/No	<ul style="list-style-type: none">▪ A “No” disqualifies the applicant for this funding cycle.