Payment Integrity Scorecard

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

Reporting Period
Q3 2025

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

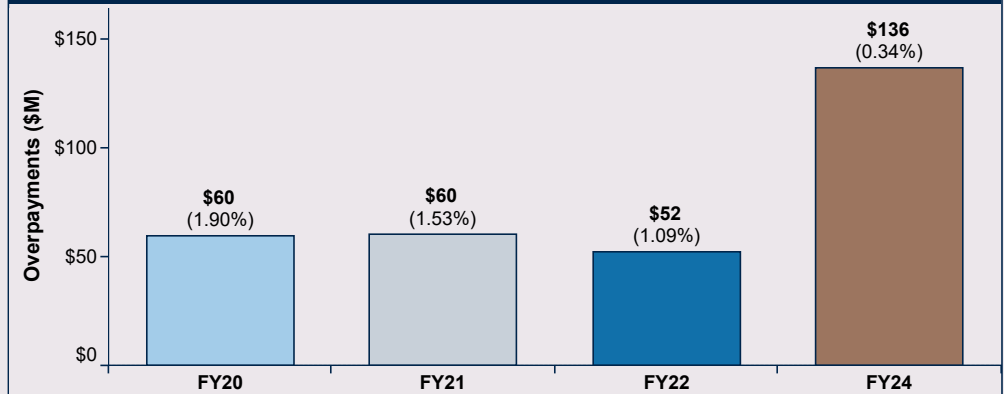*Estimate based a sampling time frame starting 10/2020 and ending 9/2022

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: $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 Fiscal Year (FY) 2025 Quarter 3, FEMA continued coordination with the Public Assistance Division continued to address regional performance and implement corrective actions. In addition, FEMA drafted updates to the Public Assistance VAYGo Guide, which consolidates validation protocols, defines internal control roles, and establishes clear escalation procedures. The Guide was distributed to FEMA Headquarters Public Assistance personnel, Grants Program Directorate personnel, Regional Division Directors, and Regional VAYGo Points of Contact for review and feedback. Final edits are underway for FEMA approval, planned for August 2025, and publication for internal and external VAYGo stakeholders, planned for September 2025. Finally, FEMA continued its training efforts across multiple fronts, to include refresher training and expansion of established emergency management training curriculums. This investment in workforce capability aims to reduce future improper payments and support timely remediation of previously identified improper payments. The delivery of training and stakeholder engagement will continue into Quarter 4 with FEMA also planning to expand training for high-risk recipients and advance automation in Grants Manager* to enhance data quality and support timely recoupment of identified overpayments.

	Accomplishments in Reducing Overpayment	Date
1	Public Assistance VAYGo Guide 2.0 was drafted and circulated through the stakeholder review process to support final publication in September 2025.	Jun-25
2	Public Assistance VAYGo was formally integrated into the National Disaster and Emergency Management University curriculum for SLTTs, bringing documentation and compliance requirements to the forefront of emergency management education.	Jun-25

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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. 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. 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. To date, 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.	In Quarter 3, FEMA VAYGo Headquarters continued coordination with the Public Assistance Division to implement mitigation strategies for regions and recipients with elevated improper payment rates. The Public Assistance VAYGo Guide 2.0 is in the development and publication process with final release planned for September ..

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. 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 continues related to execution of procedures for reviewing documentation and approval of payments. External training focused on regional contacts and SLTTs will continue via workshops, roadshows, and the National Disaster and Emergency Management University.
			Change Process – altering or updating a process or policy to prevent or correct error.	FEMA reviews feedback from field staff, recipients, and regional partners to identify improvement opportunities. Changes are reflected in iterative updates to the VAYGo Guide and PAPPG, clarifying policy intent, standardizing execution, and reducing compliance risks.
		Request 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. Disbursement of funds for COVID-19 Public Assistance projects completed during the disaster incident period is expected through August 10, 2026. 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, FEMA has recouped over $22 million and continues to seek recover for other monetary loss through interactions with SLTTs and recipients. * The FEMA Grants Manager is part of the FEMA Grants Outcomes system, which supports the management of disaster and non-disaster grants.