

Fiscal Year 2026 FEMA Standard Terms and Conditions

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FEMA Standard Terms and Conditions are updated each Fiscal Year (FY). This fact sheet displays the FEMA Standard Terms and Conditions for FY 2026. These standard terms and conditions apply to all non-disaster financial assistance awards funded in FY 2026.

Environmental Planning and Historic Preservation (EHP) Review

FEMA funded activities that could impact the environment and historic properties are subject to the FEMA EHP review process. This review does not address all federal, state, and local requirements. Acceptance of federal funding requires the recipient to comply with all federal, state, and local laws.

FEMA is required to consider the potential impacts to natural and cultural resources of all projects funded by FEMA grant funds, through its EHP review process, as mandated by: the National Environmental Policy Act; Endangered Species Act; National Historic Preservation Act of 1966, as amended; Clean Water Act; Clean Air Act; National Flood Insurance Program regulations; and any other applicable laws, regulations and executive orders (EO). General guidance for FEMA's EHP process is available on [FEMA.gov](https://www.fema.gov). Specific applicant guidance on how to submit information for EHP review depends on the individual grant program. Applicants should contact their grant program officer to be put in contact with EHP staff responsible for assisting with their specific grant program. The FEMA EHP review process must be completed before funds are released to carry out the proposed project. Otherwise, FEMA may not be able to fund the project due to noncompliance with EHP laws, executive orders, regulations, and policies. FEMA may also need to perform a project closeout review to ensure the applicant complied with all required EHP conditions identified in the initial review.

If ground is disturbed during construction, the applicant will monitor the ground disturbance, and if any potential archaeological resources are discovered, the



applicant will immediately cease work in that area and notify the pass-through entity, if applicable, and FEMA.

EO 11988, Floodplain Management, and EO 11990, Protection of Wetlands, require that all federal actions in or affecting the floodplain or wetlands be reviewed for opportunities to relocate, and be evaluated for social, economic, historical, environmental, legal, and safety considerations. FEMA's regulations at 44 C.F.R. Part 9 implement the EOs and require an eight-step review process if a proposed action is in a floodplain or wetland or has the potential to affect or be affected by a floodplain or wetland.

Applicability of DHS Standard Terms and Conditions to Tribal Nations

The [DHS Standard Terms and Conditions](#) are a restatement of general requirements imposed upon recipients and flow down to sub-recipients as a matter of law, regulation, or executive order. If the requirement does not apply to Tribal Nations, or there is a federal law or regulation exempting its application to Tribal Nations, then the acceptance by Tribal Nations, or acquiescence to DHS Standard Terms and Conditions does not change or alter its inapplicability to a Tribal Nation. The execution of grant documents is not intended to change, alter, amend, or impose additional liability or responsibility upon the Tribal Nations where it does not already exist.

Acceptance of Post Award Changes

Should FEMA determine that an error has been made in the award package, or if an administrative change must be made to the award package, recipients will be notified of the change in writing. Once the notification has been made, any subsequent requests for funds will indicate recipient acceptance of the changes to the award. Please email FEMA Grant Management Operations at ASK-GMD@fema.dhs.gov for any questions.

Disposition of Equipment Acquired Under the Federal Award



When original or replacement equipment acquired under this award is no longer needed for the original project or program or for other activities currently or previously supported by a federal awarding agency, the non-state recipient or subrecipient (including subrecipients of a state or Tribal Nation), must request instructions from FEMA to make proper disposition of the equipment pursuant to [2 C.F.R. § 200.313\(e\)](#). State recipients must follow the disposition requirements in accordance with state laws and procedures noted in [2 C.F.R. § 200.313\(b\)](#). Tribal Nations must follow the disposition requirements in accordance with tribal laws and procedures noted in [2 C.F.R. § 200.313\(b\)](#); and if such laws and procedures do not exist, then Tribal Nations must follow the disposition instructions in [2 C.F.R. § 200.313\(e\)](#).

Prior Approval for Modification of Approved Budget

Before making any change to the FEMA approved budget for this award, a written request must be submitted and approved by FEMA as required by [2 C.F.R. § 200.308](#).

For purposes of non-construction projects, FEMA is using its discretion to impose an additional restriction under [2 C.F.R. § 200.308\(i\)](#) regarding the transfer of funds among direct cost categories, programs, functions, or activities. For awards with an approved budget where the federal share is greater than the simplified acquisition threshold (currently \$350,000) and where the cumulative amount of such transfers exceeds or is expected to exceed 10% of the total budget FEMA last approved, transferring funds among direct cost categories, programs, functions, or activities is unallowable without prior written approval from FEMA.

For purposes of awards that support both construction and non-construction work, [2 C.F.R. § 200.308\(f\)\(9\)](#) requires the recipient to obtain prior written approval from FEMA before making any fund or budget transfers between the two types of work.

Any deviations from a FEMA approved budget must be reported in the first [Federal Financial Report \(SF-425\)](#) that is submitted following any budget deviation, regardless of whether the budget deviation requires prior written approval.

Indirect Cost Rate



[2 C.F.R. § 200.211\(b\)\(16\)](#) requires the terms of the award to include the indirect cost rate for the federal award. If applicable, the approved indirect cost rate associated with the award must be documented in the budget or other award materials approved by FEMA and maintained in the official award file

Build America, Buy America Act (BABAA) Required Contract Provision & Self-Certification

In addition to the DHS Standard Terms & Conditions regarding Required Use of American Iron, Steel, Manufactured Products, and Construction Materials, recipients and subrecipients of FEMA financial assistance programs that are subject to BABAA must include a Buy America Preference contract provision as noted in [2 C.F.R. § 184.4](#) and a contractor self-certification as required by the [FEMA Buy America Preference in FEMA Financial Assistance Programs for Infrastructure Policy \(FEMA Policy #207-22-0001\)](#). This requirement applies to all subawards, contracts, and purchase orders for work performed, or products supplied under the FEMA award subject to BABAA.

