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September 4, 2025

FINANCE MEMORANDUM

MEMO NO. 25-12

TO: All Department Heads

FROM: Luis Salaveria /s/
Director of Finance

SUBJECT: Use of the Major Disaster Fund (MDF) for FEMA Non-eligible Costs for the
Hawaii Wildfires Disaster (DR-4724-HI) - Procedures to Close Program or
Project

Executive Memorandum (EM) No. 24-01 established the policies and procedures for the application, review, and disbursement of funds from the Major Disaster Fund (MDF) for cost incurred by State entities to provide immediate relief to those impacted by Hawaii Wildfires Disaster (DR-4724-HI) AND deemed unlikely to be eligible for reimbursement from the Federal Emergency Management Agency (FEMA).

This Financial Memorandum supplements EM No. 24-01 to provide a procedure to close programs and projects funded under the authority of EM 24-01, to return unused funds to the MDF, and to submit a final report to the legislature on the use of the MDF funds.

FEMA NON-ELIGIBLE MASTER REPORT

The Department of Budget and Finance (B&F) and Department of Defense (DEF) will:

1. Compile a copy of all approved Form FI-1 forms.
2. Create a FEMA Non-Eligible Master Report with the following data fields:
 - Department
 - Program or Project description
 - Amount approved
 - Approval date
 - Amount transferred from the MDF to the requesting department
 - Appropriation account that the MDF ceiling was transferred to
 - Date that the appropriation ceiling transfer posted in FAMIS
 - Project numbers if funds for multiple programs or projects were transferred to a single appropriation account.
 - Appropriation account lapse date (should be the current Emergency Proclamation date)
 - Encumbrance balances
 - Expenditures
 - Program or Project completion date.

PROGRAM OR PROJECT CLOSE OUT

Based on data on the FEMA Non-Eligible Master Report, DEF will notify the department contact to submit a Form FI-2 "FEMA Non-Eligible Master Report" Close-Out Report.

Information on Form FI-2 should be consistent with the information on the FEMA Non-Eligible Master Report.

Form FI-2 will require the department head's certification confirming the completion of the program or project; the expenditure amount; the use of MDF funds for authorized purposes; and the absence of waste, fraud, or abuse in utilization of the MDF.

Form FI-2 shall be emailed to Rusty Spray, Department of Defense, at rusty.spray@hawaii.gov.

B&F will verify information on Form FI-2 submittals with FAMIS data.

Appropriation balances shall be returned to the MDF appropriation account that sourced the funds (G-24-324-G or G-25-324-G).

REPORT TO THE LEGISLATURE

B&F will send a copy of the FEMA Non-Eligible Master Report to the Hawaii State Legislature, thirty (30) days prior to the opening of the Legislature.

Should you have any questions or require further information, please contact Rusty Spray, at rusty.spray@hawaii.gov

Attachment: EM 24-01 "Management of FEMA Ineligible Costs for the Hawai'i Wildfires Disaster (DR-4724-HI) Using the Major Disaster Fund (MDF)"

Form FI-2 Close-Out Report- FEMA Non-Eligible Master Report for the Hawai'i Wildfires Disaster (DR-4724-HI)

c: Major General Stephen Logan , Adjutant General, Department of Defense
Keith A. Regan, Comptroller, Department of Accounting and General Services
Rusty Spray, ASO, Department of Defense