



NY Rising Housing Recovery Program Receipt Review

August 11, 2014

Receipts are reviewed by the program for one of three reasons: (1) to offset the Duplication of Benefits (DOB) amount being applied to the repair award; (2) to identify missed scope, or (3) to calculate possible reimbursement in the case of multiple-storm damage.

Receipt Review to Offset DOB amount to be applied to Repair Award

In order to offset the DOB amount to be applied to your repair award, you may request a receipt review for work already done (i.e. the work itemized in the AA report). You will be required to provide receipts -- including receipts for permits, receipts for materials and paid invoices to contractors -- for actual work, labor, materials and supplies in connection with the repair/rebuilding of the damaged property address, for expenses incurred prior to the date of the damage assessment inspection.

In the Program's award calculation, all funds received from other sources for structural repair of the damaged property are considered a DOB for construction. All funds received from other sources for elevation are considered to be a DOB for elevation work only. DOB is applied first against the AA cost estimate (work already done at inspection). If the DOB amount is LESS than the AA amount, then the applicant is eligible for a Reimbursement award. If the DOB amount is MORE than the AA amount, then the applicant receives no Reimbursement award, and the amount of DOB in excess of the AA amount is applied against the Estimated Cost of Repair (ECR) amount to calculate the Repair award.

For applicants whose DOB amount exceeds their AA amount, a receipt-based review of funds actually spent on work done prior to the damage assessment can be used to offset DOB, and decrease the amount of DOB that is applied to ECR (Repair) costs. **For this DOB-reduction analysis, applicants must present receipts for eligible items (see list below), but the eligible item may have been of a higher/luxury grade than "standard builder's grade."** However, the AA cost estimate with which the Program calculates Reimbursement awards is based on a standard unit-pricing system (called Xactimate), and in no circumstances will a review of AA item receipts result in an increased Reimbursement award, based on actual prices paid higher than Xactimate. A review of funds actually expended for AA work may not necessarily result in an increase in/generation of a Repair award, if the total DOB amount, minus the offset adjustment, is still greater than the AA plus the ECR. The total award amount, including any adjustments resulting from a receipt review, cannot exceed program caps.

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If you would like to offset your DOB through receipt review, as described above, you must present ALL receipts for work done prior to the damage assessment; the Program will not approve requests for partial receipt review. It should be noted that, if the total amount actually expended on work done prior to the damage assessment is less than the Program's Xactimate-based AA cost estimate, then the award will be re-calculated (lowered), using the actual costs.

Example Calculations without and with Receipt Review

In example below, there was a damage assessment inspection which estimated the AA (work done) at \$90,000 for completed repairs and the ECR (work to be done) at \$50,000, using Xactimate. The applicant received \$100,000 from insurance, FEMA and other sources which were intended for home repair or replacement. In this case the applicant would not be eligible for reimbursement and the ECR grant would be reduced by \$10,000 to account for the potentially duplicative benefit.

Calculation 1: DOB & Reimbursement	
Repair/Replacement Benefits Received	\$ 100,000.00
Damage Assessment AA	\$ 90,000.00
Reimbursement Amount	\$ -
ECR Benefit Reduction Amount	\$ (10,000.00)
Calculation 2: ECR Grant	
ECR Amount	\$ 50,000.00
ECR Benefit Reduction Amount	\$ 10,000.00
ECR Grant Amount	\$ 40,000.00

In the next example, the applicant submitted receipts for work done that meet the receipt review criteria and the sum of the dollar value of those receipts exceeds the original AA estimate by \$25,000.

Calculation 1: DOB & Reimbursement	
Repair/Replacement Benefits Received	\$ 100,000.00
Modified Receipt Review AA	\$ 115,000.00
Reimbursement Amount	\$ -
ECR Benefit Reduction Amount	\$ -
Calculation 2: ECR Grant	
ECR Amount	\$ 50,000.00
ECR Benefit Reduction Amount	\$ -
ECR Grant Amount	\$ 50,000.00



Receipt Review to Identify Missed Scope

If you are contending that the Program missed scope or quantities of materials when it developed the AA report, you may use receipts to demonstrate this. (Missed scope or quantities may also be demonstrated through other methods, including photos and re-inspection.) The Program will revise the AA report to adjust for missed scope or quantities, and will calculate a new AA cost estimate, using Xactimate pricing. Applicants demonstrating missed scope or quantities need not produce ALL receipts for AA items; they may present receipts only for items/quantities that they claim the AA report missed.

Receipt Review to Calculate Possible Reimbursement in the Case of Multiple-Storm Damage

If you have been damaged by more than one storm (such as both Irene and Sandy) and you have repaired items multiple times, your award will be managed as if these storms were a single event, unless you specifically request otherwise. If you specifically request a multi-storm review, then you must present ALL eligible receipts for the earlier storm. The Program will create a scope of AA work (work done) from the earlier storm, and will produce an AA cost estimate using Xactimate pricing. The Program will then apply any DOB received for damages from the earlier storm, in order to determine whether the applicant may be eligible for a Reimbursement award.

Allowable expenditures include:

- Essential Appliances (Refrigerator, Stove/Oven, Dishwasher)
- Permits and Fees
- Debris Removal
- Utilities (Plumbing, Electrical and Gas systems)
- Structural Repairs
- Heating, Venting and Air Conditioning systems
- Septic or Sewer system repair
- Well or Water system repair
- Entrance and Exit ways from home
- Temporary Housing (only offsets FEMA)

The following items are an example of costs that are NOT allowed:

- Food, Clothing, Household goods
- Fences or Sheds
- Non-Essential Appliances (Microwave, Washer, Dryer)
- Day Labor paid by cash with no receipt
- Tools
- Flatbed Trailers
- Insurance premiums

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