FEMA uses the following terms provided in 2 CFR when discussing PA funding:

- Recipient: A non-Federal entity that receives a Federal award[37] directly from a Federal awarding agency to carry out an activity under a Federal program[38]
- Applicant: A non-Federal entity submitting an application to the Recipient for assistance under the Recipient's Federal award
- Pass-through entity: A non-Federal entity that provides a subaward[39] to an Applicant to carry out part of a Federal program[40]
- Subrecipient: An Applicant that receives a subaward from a pass-through entity to carry out part of a Federal program[41]

Use of the Term Applicant in this Document

When a non-Federal entity applies for PA funding, it is an **Applicant**. Once an Applicant receives funding, it is either a **Recipient/pass-through entity** or a **Subrecipient**. For simplicity, FEMA uses the term Applicant throughout this document when referring to the responsible entity for a project rather than making distinctions between an entity as an Applicant, Recipient, pass-through entity, or Subrecipient. FEMA uses the terms Recipient and Subrecipient in this document when necessary to differentiate between the two entities.

FEMA provides PA funding to the applicable State, Territorial, or Indian Tribal Government (Recipient). An Indian Tribal Government may elect to be a Subrecipient under a State declaration or request its own declaration and be a Recipient.[42] The Recipient distributes the funds to the appropriate Subrecipient.[43] When a Recipient distributes funds, it is a pass-through entity.

FEMA may approve a State or Tribal Recipient to manage small disasters. Participation in the State Management of Small Disasters program is voluntary. Small disasters are those with sufficient severity and magnitude to warrant a major disaster declaration by the President, but are limited in scope and size as defined by the following:

- Statewide infrastructure damage is less than $2 per capita;
- Total estimated infrastructure damage is less than $15 million;
- Categories of work are limited to debris removal and emergency protective measures; or
- The PA operation is within a Recipient's capability to manage (varies by State).

If a Recipient is interested in managing a disaster, it must specify this in the request for a disaster declaration. FEMA will determine whether the Recipient is capable of managing a disaster.

Interested Recipients should have:

- Recent disaster experience;

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[37] Per 2 CFR § 200.38, a Federal award is the Federal financial assistance that a non-Federal entity receives directly from a Federal awarding agency or indirectly from a pass-through entity; or the cost-reimbursement contract under the Federal Acquisition Regulation that a non-Federal entity receives directly from a Federal awarding agency or indirectly from a pass-through entity.
[38] 2 CFR § 200.86.
[39] Per 2 CFR § 200.92, a subaward is an award provided by a pass-through entity to a Subrecipient for the Subrecipient to carry out part of a Federal award received by the pass-through entity. It does not include payments to a contractor or payments to an individual that is a beneficiary of a Federal program.
[40] 2 CFR § 200.74.
[41] 2 CFR § 200.93.
[42] 44 CFR § 206.201(e).
[43] 44 CFR § 206.202(a).