

FEMA Fact Sheet: FEMA Grants Should Only Be Used for Disaster-Related Expenses

FEMA grants are tax-free and don't have to be repaid, however they should only be used for disaster-related expenses.

When a grant is awarded to a disaster survivor, FEMA sends a letter listing approved uses for the money, including:

- repairs to make a home safe, sanitary and secure;
- rental assistance for a temporary residence while a home is being repaired;
- repair or replacement of a flooded essential vehicle;
- medical care for an injury caused by the disaster;
- repair, cleaning or replacement of clothing or specialized tools;
- necessary educational materials (such as computers, school books and supplies);
- moving and storage expenses related to the disaster; and
- other disaster-related expenses.

Disaster grants should not be used for travel, entertainment, normal living expenses or discretionary spending not related to the disaster. **If a grant is misused, a recipient may have to repay FEMA and could lose eligibility for further assistance from FEMA and other disaster assistance providers.**

FEMA also encourages grant recipients to keep receipts for three years to show how the funds were spent. After every major disaster, FEMA audits grant payments to ensure that taxpayer dollars were properly provided by the agency and used appropriately.

Last Updated:
September 26, 2017 – 13:34

<https://www.fema.gov/news-release/2017/09/10/fact-sheet-fema-grants-should-only-be-used-disaster-related-expenses>