



Commonwealth of Pennsylvania  
GOVERNOR'S OFFICE

# MANAGEMENT DIRECTIVE

310.1 Amended  
Number

Subject:

Fiscal Guidelines for Federal Reimbursement  
of Disaster Related Expenditures

By Direction of:

Robert C. Wilburn, Secretary of Budget and Administration

Date:

January 5, 1983

**Federal funds for disaster related expenditures must be obtained and accounted for in accordance with this directive.**

1. **PURPOSE.** To inform each agency under the Governor's jurisdiction of the procedures to be followed to properly account for Federal payments received under provisions of the Disaster Relief Act of 1974, Public Law 93-288.

2. **SCOPE.** This directive applies to all Federal Disaster Relief and Assistance Funds received July 1, 1982, and thereafter.

3. **POLICY.**

a. Act 57 of 1977 and the Federal Appropriation Act give the Governor the authority to executively authorize Federal Disaster Assistance Funds. All Federal funds received through the Federal Emergency Management Agency (FEMA) for disaster relief are to be deposited initially in a restricted receipt account before being transferred to an operating account from which they may be used for program costs. Federal funds received from other sources will be made available for the use of the receiving agency through Executive Authorizations.

b. From the General Fund, Federal Disaster Assistance Funds may be spent only through a Federal Executive Authorization; from special funds they may be spent through State Executive Authorizations. In the General Fund the receipts will be classified as Federal Revenue or subgrants, as appropriate; in the special funds they will be augmenting revenue.

c. When Federal money is a reimbursement, any qualifying expenditures which were charged to a State appropriation should be transferred as charges against the Federal Executive Authorization. This will result in an increase in the available balance in the State appropriation, a balance whose disposition will be determined by the classification of the State appropriation (current, prior encumbered, or prior continuing).

4. **DEFINITIONS.**

a. **Executive Authorization.** For the purposes of this directive, Executive Authorization means a Federal Executive Authorization in the General Fund or a State Executive Authorization in a Special Fund.

b. **Public Assistance Funds.** For the purpose of this directive, public assistance funds are Federal monies made available to supplement the efforts and available resources of the State and local governments to restore public facilities or services. The term **public assistance** includes debris removal, community disaster loans, and restoration and replacement of public and designated nonprofit facilities damaged or destroyed by a major disaster.

- c. **Individual Assistance Funds.** These
- are Federal monies made available for helping
- people. Individual assistance includes emergen-
- cy actions such as search and rescue, medical
- care, operation of emergency shelters, and
- feeding. It also includes temporary housing,
- disaster loans, legal services, disaster unemploy-
- ment benefits, and individual and family grants.

**5. RESPONSIBILITIES.**

- a. **Heads of Agencies** are responsible for
- public assistance funds, preparing and submit-
- ting project applications, and for submitting a
- copy of each application to the agency comp-
- troller.

b. **Agency Comptrollers** are responsible for implementing the following procedures and for preparing all required Federal accounting reports.

c. **Agency Budget Officers** are responsible for requesting the issuance of Executive Authorizations to allow use of disaster relief funds by their agencies, and for preparing the appropriate allocation and allotment schedules.

- 6. **PROCEDURES.** The following procedures
- will be used when accounting for disaster relief
- funds received from Federal agencies. The
- majority of such funds will be made available
- through FEMA, while some may come from
- other Federal sources. All FEMA funds will be
- received by and disbursed to the appropriate
- State agencies by the Pennsylvania Emergency
- Management Agency (PEMA); non-FDA funds
- may be received through other channels. The
- procedures are keyed to fund source; i.e.,
- FEMA Public Assistance Funds (PAF), FEMA
- Individual Family Grant (IFG), Temporary
- Housing Funds (THF), and other Federal
- agency disaster funds.

**Procedure 1: FEMA Public Assistance Funds.**

Action By	Step	Action
Agency Coordinating Officer (ACO).	1.	Prepares and submits project applications to State Coordinating Officer (SCO) (Director, PEMA).

Action By	Step	Action
Agency Budget Officer.	2.	Submits one copy of each project application to agency comptroller.
	3.	Requests from Budget Office, OBA, Executive Authorizations for operating accounts for use of Federal funds.

NOTE: When an agency retains the accounting capability to separate data below the appropriation level, an Executive Authorization may be established which incorporates several previously established flood accounts.

Comptroller, PEMA.	4.	Prepares Schedule of Allocation of Appropriations or Executive Authorizations, STD-260, for Executive Authorization granted. Submits to Budget Office, OBA, for approval.
	5.	After approval of STD-260, prepares and distributes Allotment Schedules, STD-262 and STD-262-1, allotting authorizations as appropriate.
	6.	Receives FEMA Public Assistance Advance Funds and deposits them in General Fund restricted receipt account pending their transfer to agencies' operating accounts (Executive Authorizations).

Agency Comptroller.	7.	Receives one copy of approved project application and files it with advance copy received earlier from ACO.
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Action By	Step	Action	Action By	Step	Action
	8.	Receives notice of approval of Executive Authorizations and copies of approved Forms STD-260, STD-262, and STD-262-1; records them in appropriate Centralized Accounting System (CAS) ledgers.		15.	Prepares and forwards to the PEMA Comptroller a memorandum requesting a transfer of funds to the agency Federal account from the PEMA restricted receipt account.
	9.	Requests from Bureau of Financial Management (BFM), OBA, issuance of revenue codes required for deposit of Federal funds.	Comptroller, PEMA.	16.	Deposits FEMA draw, when received, to restricted receipt account in General Fund.
Comptroller, PEMA.	10.	Based upon notice from agency comptroller of proper revenue code and appropriation (if applicable), prepares Transfer Voucher, STD-125, to disburse FEMA Public Assistance Advance Funds to proper agency.		17.	Prepares STD-125 to disburse requested funds from the PEMA restricted receipt account to the requesting agency accounts. Forwards a copy to agency comptroller.
		NOTE: The amount transferred will be posted automatically to the receiving agency's accounts in the CAS.	Agency.	18.	If expenditures which qualify for Federal funding have been made from State accounts, prepares expenditure adjustment to transfer expenditures to Federal account. If the resulting decrease in expenditures to the State account is to a:
Agency Procurement or Program Office.	11.	Prepares commitment documents for disaster-related costs, charging applicable cost centers in Executive Authorization accounts.		a.	current account, the increase in available balance is available for other commitments and expenditures;
Agency Comptroller.	12.	Receives, pre-audits, and records commitment documents.		b.	prior encumbered account, the increase in available balance is to be lapsed; or a
	13.	Processes and records expenditures from Executive Authorizations.		c.	prior continuing account, the increase in available balance is to be lapsed unless the Secretary, OBA, grants a specific written exception.
	14.	Based upon commitments and/or expenditures, prepares necessary Federal reports to send to SCO who will draw funds from FEMA. (See enclosure 1 for details of necessary public assistance documentation and processing.)			

. **Procedure 2: FEMA IFG, THP, and Other**  
 . **Federal Agency Disaster Funds.**

Action By	Step	Action
Agency Budget Officer.	1.	Requests from OBA an Executive Authorization to enable agency to accept disaster relief funds when agency is initial recipient of other Federal agency disaster funds and to serve as operating account for use of the funds.
Agency Comptroller.	2.	<p>Requests from BFM issuance of revenue code for each source of Federal funds. Requests must include:</p> <ul style="list-style-type: none"> <li data-bbox="500 808 860 871">a. the source of Federal funds;</li> <li data-bbox="500 903 860 1060">b. the agreement between the State and Federal agencies on the method of obtaining the funds; and</li> <li data-bbox="500 1092 860 1228">c. the account code (if applicable) to which the Federal funds will be posted.</li> </ul> <p><b>NOTE:</b> Procedures for the receipt and expenditure of other disaster relief funds are the same as those for FEMA Public Assistance Funds.</p>

- . 1 Enclosure:
- . Guidelines for Supporting and Obtaining
- . Reimbursement of Approved Disaster
- . Related Expenditures for Public Assis-
- . tance.

**This amended version replaces in their entirety Management Directive 310.1, amended November 16, 1978, and all previous versions of Enclosure 1.**

## **GUIDELINES FOR DOCUMENTING AND OBTAINING REIMBURSEMENT OF APPROVED DISASTER RELATED EXPENDITURES FOR PUBLIC ASSISTANCE**

### **1. General Instructions.**

a. To obtain reimbursement from the Federal Emergency Management Agency (FEMA) for funds expended, an agency must submit to the Pennsylvania Emergency Management Agency (PEMA), within 60 days of completion of all projects, an accounting of expenditures.

b. Report of Completion of Work (ROCOW) forms are available for this purpose and may be **obtained from PEMA.**

c. All costs claimed must be related to a specific project as described on a Damage Survey Report (DSR).

d. Since the DSR is an estimate of the cost of restoration, actual costs may underrun or overrun. Eligibility of overruns is mainly dependent on two factors:

(1) Overruns must be within reasonable limits and justifiable.

(2) Scope of proposed work must not be exceeded.

e. Expenditure and accounting records must sustain a State and/or Federal audit.

f. Specific guidance on preparation of an agency's claim or accounting of expenditures is outlined in Section 4, below.

### **2. Eligibility Criteria.**

a. The primary source document for determining eligibility of disaster related expenses is an approved DSR.

b. DSR's may be written for nine different categories of work (A through I) as summarized on the project application.

c. Within these nine categories of work DSR's will also identify the project as being emergency work (Categories A and B) or permanent work (Categories C, D, E, F, G, H, and I).

d. Specifics as to cost eligibility for each category of work are contained in the FEMA Eligibility Handbook (copies may be obtained from PEMA).

### **3. Supporting Documentation.**

a. Schedules or work papers should be prepared to document claimed expenditures.

b. Original or source documents must be available for audit purposes.

c. Costs incurred on a project after the established expiration date will not be reimbursed.

d. Any claimed expenditure not paid by the agency will be disallowed.

- e. Each DSR must be documented separately.
- f. There are basically two areas of costs that must be documented:
  - (1) Costs incurred directly by the applicant.
  - (2) Costs incurred from outside sources.
  - Specific documentation requirements for these two areas of costs are contained in the FEMA Handbook for Applicants and the PEMA Workbook for Administration of Disaster Recovery Funds (copies of both books are available from PEMA).
- g. All accounting records and documentation must be retained in accordance with approved records retention schedules.
- 4 . Preparation of Claim.
  - a. Within 60 days of completion of all work, a Report of Completion of Work must be submitted to PEMA. The following instructions apply to its preparation (see attached form) :
    - (1) The agency project number and declaration number should be entered at the top of the form. If more than one form is required, page numbers should be used.
    - (2) The category of work and DSR number should be entered in the first column.
    - (3) VT numbers, warrant or check numbers, and dates of performance of service should be entered in the second column.
    - (4) Documentation should be listed in the third column (e.g., applicant's payroll, material out of stock, applicant owned equipment, vendor or contractor).
    - (5) The fourth column should reflect the amount approved for that particular project or DSR.
    - (6) The fifth column should reflect the agency's actual costs incurred in completion of that particular DSR.
    - (7) If an invoice covers more than one DSR, the cost applicable to each must be shown separately on the invoice. This necessitates listing the same invoice two or more times.
    - (8) When a DSR has been approved as a grant-in-lieu, the amount claimed in column five cannot exceed the DSR amount approved in column four.
    - (9) The last page of the ROCOW should recap all categories of work and reflect amounts approved and amounts claimed.
  - b. In addition to submission of the ROCOW, the agency's designated agent must sign and submit a Blanket Certificate (this form is available from PEMA). All projects not accomplished should be listed on this form.
  - c. Only the original of these forms must be submitted to PEMA.

**5. Final Settlement of Claim.**

a. Submission of the required ROCOW and Blanket Certificate will initiate final inspection of all completed projects by Federal/State inspection teams.

b. Upon completion of final inspection, PEMA will initiate the audit request.

(1) The Federal/State Disaster Assistance Agreement provides that the state shall perform such site audits and other reviews necessary to a certification by the state of each claim arising from an approved project under the agreement.

(2) Federal auditors will perform such audits as they consider necessary.

c. Following final audit, PEMA will prepare on behalf of the agency a request for final reimbursement to be signed by the agency's designated agent and which will become a part of the claim package forwarded to FEMA for final review and approval.

d. Final payment is initiated by the FEMA National Office, forwarded to PEMA, and subsequently forwarded to the respective agency.

All forms, handbooks, and workbooks, along with additional guidance or assistance may be obtained by contacting PEMA, Disaster Assistance Section.

PENNSYLVANIA EMERGENCY MANAGEMENT AGENCY  
 TRANSPORTATION AND SAFETY BUILDING  
 HARRISBURG, PENNSYLVANIA

REPORT OF COMPLETION OF WORK  
 FOR USE BY CATEGORICAL AND FLEXIBLE FUNDING APPLICANTS

APPLICANT (State Agency, County, City, Etc.)		PROJECT NO.	DECLARATION NO.	
WORK CATEGORY AND DSR ITEM NO.	DATE AND NO. OF CHECK	LIST WORK AS PERFORMED RELATIVE TO APPROVED DSR	DSR AMOUNT APPROVED	APPLICANT'S ACTUAL COST