

ARS □ CSREES □ ERS □ NASS

Policies and Procedures

Title: Tracking of Hazardous Waste Cleanup Funds

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Distribution: ARS Headquarters, Areas, and Locations

This P&P states ARS policy and responsibilities for the tracking of hazardous waste cleanup funds throughout ARS.

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1. Reference

For more specific details and guidance on financial procedures or environmental management, refer to P&P 325.1, "Funds Control at the Operating Level," and P&P 230.0, "ARS Safety, Health, and Environmental Management Program."

2. Authorities

- Resource Conservation and Recovery Act (RCRA) (42 United States Code (U.S.C.) 6901)
- Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA) (42 U.S.C. 9601)

3. Policy

It is ARS policy to utilize Hazardous Waste Cleanup (HWC) funds in accordance with departmental guidance governing the use of these special funds. These departmental funds must be used for RCRA and CERCLA requirements that entail removal, remedial, or preremedial activities consistent with the intent of the funds. To qualify for HWC funding, a project must require a minimum of \$25,000.

Examples of requirements which qualify for the funds are underground storage tank removals, site investigations, remedial investigation/feasibility studies, monitoring well installation and sampling, soil sampling, and removal actions. Examples of requirements that are not eligible for HWC funds include environmental audits, facility permitting, asbestos removal, routine disposal of wastes, and payment of fines and penalties.

4. Procedures

Allocation of Funds

Areas will request HWC funding during the annual HWC budget request process. The process normally takes place in March/April at which time the Areas revise their prior requests for the fiscal year to begin that fall, as well as submit a request for the next fiscal year and 4 outyears. For example, in March/April of fiscal year 1998 (FY-98), the Areas are requested to update their FY-99 requirements and submit their HWC requirements for FY 2000 and FY-01 to FY-04. Obtaining additional funds from the Department for the next fiscal year by March/April of the current fiscal year may not be possible. However, opportunities to redirect funds within the Agency may be possible.

In addition to the departmental budget request, Areas must utilize the Annual Resource Management Plan (ARMP) for requesting HWC funding. Only projects meeting eligibility requirements defined by departmental guidance will be considered for funding. Approval is based on the availability of funds, priority in relation to other competing projects, notice of violations from State or Federal agencies, consent agreements with State or Federal agencies, and statutory dates for compliance. Notification of approved projects will be via E-mail or memorandum from the Financial Management Division (FMD) to the Area Administrative Officer (AAO) after the final ARMP review meeting. If a project is time critical (i.e., requires funding in the first quarter of the fiscal year), the Area should advise the Facilities Division (FD) via the format in Exhibit 1. FMD will forward the proposed HWC project to the Operations Staff for consideration outside the ARMP review.

Releasing Funds

Funds for approved projects will be earmarked by FMD until the project contract is ready for award. A request for the release of funds must be made by the AAO via E-mail to the Director of FMD (with a copy to the Director of FD) on a project-by-project basis using the format shown in Exhibit 1. This format should be used for all HWC funding communication between the Area and Headquarters.

On any correspondence relating to approved HWC projects, refer to the HWC number assigned to each project by the Safety, Health, and Environmental Management Branch (SHEMB). The five-digit code reflects the following:

First digit denotes the fiscal year the project was originally approved for funding.

X XX XX

Second and third digits denote the Area third level mode code.

X XX XX

Fourth and fifth digits denote sequential numbering beginning with 01.

X XX XX

Obligating Funds

It is imperative that funds be obligated in the fiscal year they are received. Funding must be planned and managed to prevent carryover into the next fiscal year. Area Budget and Fiscal Officers (ABFO's) and FMD must coordinate processing the necessary documents with the National Finance Center (NFC) to ensure that NFC records are accurate. If funds are not obligated, they are returned to the Department unless a waiver is granted. Deadlines for these actions vary from year to year. As a general rule, unobligated funds should be returned to FMD for redirection by July 31 of the fiscal year they are received. If funds will remain unobligated after this date, the Area must request approval from SHEMB.

Removal of Funds

Unless SHEMB has agreed to continue the earmark, HWC funds not obligated by September 1 will revert to Headquarters for redirection to other HWC projects. Carryover funds will not be allowed unless a waiver is granted by the Department. Areas will be required to resubmit justifications for all projects not completed. This action is necessary to comply with departmental guidance. Such guidance may vary from year to year, and it is possible in some years that the funds may be pulled back before the September 1 date.

Tracking Funds

Each project must be tracked by a separate accounting code with the HWC appropriation symbol “X02.” Do not combine projects at the location level; keep them separate.

NOTE: When base funds “X01” are used in conjunction with “X02” funds, the “X01” funds must be tracked in an “X01” account. Funds cannot be mixed in the same account.

Increase or Redirection of Funds or Request for New Projects

When additional funds are needed or when a new project is required in addition to the original approved projects, the AAO should forward a justification to FMD, with a copy to FD. This information will be used as a basis for seeking ARS or Department approval of the change, as required.

Possible justification for funding changes may include:

- Higher RCRA/CERCLA priorities.
- All of the released funds were not required at the designated location, but additional funds are needed at another location within the Area to meet RCRA/CERCLA requirements.
- Additional funds are needed to continue or complete a project.

Surplus of Funds

When surplus funds become available, they should be returned to FMD as soon as possible for utilization at other ARS HWC projects. Use the Exhibit 1 format to notify FMD and FD, substituting “Amount returned” in place of “Amount requested this release.” The figures for “Balance to remain earmarked” should be adjusted accordingly.

Records and Reporting Requirements

Records of all project activities and project costs will be maintained by the accounts maintenance personnel at the location. Therefore, regardless of where the procurement takes place (Headquarters, Area, location), copies of the obligating documents must be forwarded to the Location Administrative Officer/Technician.

Departmental Waiver

On a special case basis where there is not sufficient contracting leadtime for the proper obligation of funds, the Department may consider granting a waiver of the requirement for obligating no-year HWC funds in the same year they are received. If justified, FD will be the lead office for requesting the waiver from the Department. For joint Area and FD projects, waiver requests must be submitted to the Department by June 15. For projects under Area delegation, the waiver must be discussed with FD prior to developing the request. If agreement is reached on the need for the waiver, then it must be submitted to FD by June 1. For projects under FD delegation, the waiver request will be discussed with the Area prior to submittal to the Department.

If a waiver is granted, a Period End Estimate may need to be filed with NFC by the ABFO as a yearend closing process, using form AD-718. This will ensure that valid obligations and commitments are accurately portrayed in the final fiscal year report. FMD will provide assistance with filing Period End Estimates.

5. Responsibilities

The organizational unit (location, Area, FD) directly managing the activities is responsible for ensuring that the approach used is the most feasible method for obtaining the needed services, and that the action meets all procurement and contracting requirements.

6. Glossary

AAO. Area Administrative Officer.

ABFO. Area Budget and Fiscal Officer.

ARMP. Annual Resource Management Plan.

CERCLA. Comprehensive Environmental Response, Compensation, and Liability Act.

FD. Facilities Division.

FMD. Financial Management Division.

HWC. Hazardous Waste Cleanup.

Preremedial activities. Activities taken to assess the actual situation and to develop or support the remedial action. They could include a preliminary assessment, risk assessment, or site inspection. Their underlying characteristic is that they directly move a specific site or location along a planned path to a “no further action” conclusion or a remedial action. Record searches and environmental sampling/analysis are included in this meaning.

RCRA. Resource Conservation and Recovery Act.

Remedial activities. Measures taken to prevent or minimize the release of hazardous substances so they do not affect public health, welfare, or the environment, now or in the future. They differ from removal primarily in their typically greater cost, longer implementation period, smaller immediate hazard, longer planning horizon, and greater focus on permanent solutions. An example is a Remedial Investigation/Feasibility Study under CERCLA. Remediation may follow removal at a site. For example, if leaking drums are discovered, the drums and heavily contaminated soil may be removed to eliminate the source. Investigation and cleanup of any other contamination could be the remediation.

Removal. Is defined in Section 300.6 of 40 Code of Federal Regulations, Part 300. The term means the cleanup or removal of oil or hazardous substances actually, or with potential to be, released into the environment. It generally entails an emergency response to actual or potential threats to public health, welfare, or the environment. Ancillary measures such as security fencing, temporary evacuation, etc., are also included.

SHEMB. Safety, Health, and Environmental Management Branch , FMD.

/s/

W. G. HORNER
Deputy Administrator
Administrative and Financial Management

Exhibit

1. E-mail Format

SAMPLE FORMAT

REQUEST FOR RELEASE OF HWC FUNDS

From: (AREA - Should be requested by AAO)
To: Director FMD
CC: Director FD
Subj: Request for Release of FY-98 HWC Funds

Location:

HWC Project No.

Amount earmarked:

Amount requested this release:

Cumulative to date release:

Balance to remain earmarked:

Justification:

- a. Current status or phase of the project:
- b. Description of actual work for which the release amount is being requested:
- c. Additional pertinent information: