



EXECUTIVE OFFICE OF THE PRESIDENT  
OFFICE OF MANAGEMENT AND BUDGET  
WASHINGTON, D.C. 20503

THE CONTROLLER

M-05-26

September 28, 2005

MEMORANDUM FOR CHIEF FINANCIAL OFFICERS

FROM: Linda M. Combs

A handwritten signature in black ink that reads "Linda M. Combs".

SUBJECT: 2005 Year-end Accounting Guidance for Disaster Relief Fund Transactions

This memorandum provides guidance for those agencies incurring costs under Mission Assignments (MA) issued by the Federal Emergency Management Agency (FEMA), Department of Homeland Security, to support disaster relief.

The Financial Management Support Annex of the National Response Plan provides basic financial management guidance for all departments and agencies providing assistance in response to major disasters or emergencies declared by the President under the Robert T. Stafford Disaster Relief and Emergency Assistance Act (Stafford Act) (Pub. L. No. 106-360). With respect to the emergency declarations, the Disaster Relief Fund (DRF), administered and overseen by the FEMA, may be made available by FEMA to reimburse cooperating departments and agencies for funds expended and costs incurred in support of response efforts.

FEMA uses an MA document as an inter-intra agency agreement to direct agencies to provide goods and/or services pursuant to the Stafford Act and a declaration. Upon accepting an assignment from FEMA, the cooperating agency should have blanket authority or submit to OMB on the SF-132 an annual estimate of the amount of reimbursable authority required to carry out their responsibilities under the MA. By accepting an assignment, the cooperating agency must use management controls, policies and procedures to ensure that 1) programs achieve their intended results; 2) resources are used consistent with agency missions; 3) programs, resources are protected from waste, fraud and mismanagement; 4) laws and regulations are followed; and 5) reliable and timely information is obtained, maintained, reported, and used for decision making.

If you have any questions concerning this guidance please contact David Zavada at (202) 395-3993.

Attachment:

## Attachment

### Reimbursable Transactions

Cooperating agencies must maintain proper supporting documentation for all obligations, outlays, and costs incurred to carry out the terms of the assignment. Supporting documentation must be maintained in a manner necessary to accommodate independent audit and review. Reimbursements are processed against the FEMA Disaster Finance Center using the Treasury Intra-government Payments and Collections (IPAC) system. All reimbursements and advances processed via IPAC must be supported by adequate documentation supporting expenditures claimed as reimbursable. The FEMA DRF ALC is 70-07-0002.

Additional detail on the MA process, including reimbursement and billing information, can be found at [http://www.fema.gov/ofm/ofed\\_agencies.shtm](http://www.fema.gov/ofm/ofed_agencies.shtm).

All existing accounting and budgetary rules and scenarios for reimbursable agreements (i.e., receivables/payables and undelivered/unfilled orders) apply. Agencies should refer to:

- OMB Circular A-11 *Preparation, Submission and Execution of the Budget* revised, Section 130 *Report on Budgetary Execution and Budgetary Resources* at [http://www.whitehouse.gov/omb/circulars/a11/current\\_year/s130.pdf](http://www.whitehouse.gov/omb/circulars/a11/current_year/s130.pdf),
- USSGL general accounting transactions and scenarios at <http://www.fms.treas.gov/ussgl/>, and
- USSGL specific accounting scenarios for reimbursable activity at [http://www.fms.treas.gov/ussgl/approved\\_scenarios/index.html#reimbursable](http://www.fms.treas.gov/ussgl/approved_scenarios/index.html#reimbursable).

### Year-end Accruals and Coordination with FEMA

Cooperating agencies should make every effort to process reimbursement through IPAC by no later than September 29<sup>th</sup> for costs incurred during fiscal year 2005. Cooperating agencies must provide FEMA with a year-end estimate of the agency's unbilled receivable for cost to be billed against the assignment as of September 30, 2005. Such notification should be provided to the FEMA Disaster Finance Center not later than October 3<sup>rd</sup> to afford time for adjustment and recording to the FEMA DRF. Cooperating agencies must also provide FMS with year-end non-expenditure documents no later than October 3, 2005 for intragovernmental transfers during fiscal year 2005. For additional guidance refer to <http://fms.treas.gov/tfm/vol1/05-06.pdf>.

All notifications and communications involving MAs should be directed to the FEMA Disaster Finance Center, attention: Tracey Oyler on (540) 542-7406, [tracey.oyler@dhs.gov](mailto:tracey.oyler@dhs.gov).

Response activities in the aftermath of the Katrina disaster require strong financial involvement to facilitate communications across each Federal agency. The CFO of all agencies should provide a prime contact for financial management matters as well as an additional contact for MA matters to John McNamara from the Department of Homeland Security by September 29, 2005. His email and phone number are: [John.Mcnamara@DHS.GOV](mailto:John.Mcnamara@DHS.GOV) and (202) 205-5833.

### Advances

Advances are generally not authorized by FEMA but may be necessary if cooperating agencies do not have sufficient cash reserves to sustain MA disbursements prior to September 30, 2005. Agencies should follow Circular A-11 Section 20.11 (“What do I need to know about advances?”) located at [http://www.whitehouse.gov/omb/circulars/a11/current\\_year/s20.pdf](http://www.whitehouse.gov/omb/circulars/a11/current_year/s20.pdf), and the Stafford Act for guidance on advances.

FEMA will work closely with agencies to provide advances where necessary. Where an advance is authorized by FEMA, the cooperating agency needs to provide FEMA with an accounting of the amount of the balance of the advance as of September 30, 2005. Such notification needs to be provided to the FEMA Disaster Finance Center not later than October 3<sup>rd</sup> to afford time for adjustment and recording to the DRF.

### Travel

Travel costs that will be reimbursed by FEMA under an MA related to disaster relief should be obligated against the order from FEMA to do the work and not against a continuing resolution that may provide interim funding or another appropriation. Agencies should refer to Circular No. A-11 Section 83.5 (“How can I determine whether an obligation should be classified as direct or reimbursable?”) for further guidance.