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1. Purpose and Scope

This item provides guidance for State agencies related to charging disaster-related costs in the Statewide Financial System (SFS). The process outlined here is intended to be used for major federally-declared disasters occurring after July 31, 2016.

This item updates the previous streamlined method for tracking disaster-related expenses statewide, and, when appropriate, automatically reclassifies those expenses to centralized disaster aid appropriations within the Division of Homeland Security and Emergency Services (DHS01). This updated process eliminates the need for agencies to track costs outside of the SFS system, and to prepare and execute additional transactions to shift disaster costs out of their budgets. SFS will automatically transfer the costs based on the Project IDs and Activity IDs described below.

2. Procedures and Agency Responsibilities

A. Initiation of Process

In the days immediately preceding an anticipated major disaster, DOB will notify SFS to post Project and Activity IDs (for use in SFS to identify costs specific to that event) on the SFS Secure website.

Agencies will be required to include both a Project ID and Activity ID on any requisition or purchase order entered in SFS for a disaster-related cost.

B. Project IDs

In order to facilitate and gain reimbursement of disaster-related costs, agencies will be required to use the unique disaster event Project ID posted on the SFS website with the “ASTORM_RCLS” Activity ID (reclassification - see item 1 below). The use of an existing non-Federal agency Project ID is allowable with either the “ASTORM_TRKG” Activity ID (tracking – see item 2 below) or the “ASTORM_CPTL” Activity ID (capital – see item 3 below).

C. Activity IDs

Unique Activity IDs will also be posted on the SFS website each time this process is launched for a specific disaster event. The IDs will distinguish between three types of spending; expenditures that will be reclassified in SFS and moved to DHS01 for Federal reimbursement, expenditures that will be tracked and remain in an agency, and federally reimbursable capital

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expenditures resulting from the disaster. Examples of the Activity IDs are shown below, with “ASTORM” used as a placeholder for the name of the event (e.g. SANDY_RCLS).

1. *ASTORM_RCLS*- The “reclassification” Activity ID should be used for **eligible Federal reimbursable** costs in response to the disaster event (non-capital projects). Expenditures labeled with this Activity ID and the event Project ID will automatically move from an agency’s appropriation to centralized appropriations in DHS01. The process will also restore an agency’s budget to allow for the continuation of core agency spending. Assistance in determining Federal eligibility can be found in the [guidelines published by the Federal Emergency Management Agency \(FEMA\)](#). This Activity ID should not be used in conjunction with an agency Project ID (non-Federal).

2. *ASTORM_TRKG*- The “tracking” Activity ID should be used to track spending for a disaster that is **not** a federally reimbursable cost. Expenditures labeled with this Activity ID will remain as spending against the agency’s appropriations. Use of this Activity ID is crucial in identifying the full cost of a disaster. This Activity ID can be used in conjunction with the disaster event Project ID. This Activity ID can also be used with an existing agency Project ID which is designated non-Federal but has been impacted by the disaster event.

3. *ASTORM_CPTL*- The “capital” Activity ID should be used to track large capital projects that are **eligible for Federal reimbursement**. Expenditures labeled with this Activity ID will remain as spending against the agency’s appropriations. This Activity ID can be used in conjunction with the event Project ID. This Activity ID can also be used with an existing agency capital Project ID which is designated non-Federal but has been impacted by the disaster event.

D. Agency Actions and Reclassification of Expenses to DHS01

Upon issuance of the Project ID and associated Activity IDs, agencies should immediately begin charging disaster-related expenditures against their agency appropriations, unless specifically given alternate instructions by DOB. It is anticipated that all disaster costs will be initially charged against agency appropriations throughout the duration of the event, with the exception of capital projects which may require sub-allocations. SFS will automatically transfer the costs based on the Project IDs and Activity IDs described above.

BUDGET POLICY AND REPORTING MANUAL

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The reclassification of agency costs to DHS01 does not relieve agencies of their responsibility to file their costs with FEMA. It is the agency's responsibility to submit their claims to FEMA to secure appropriate Federal reimbursement for the State.