

# ANNUAL DISASTER PREPAREDNESS WORKSHOP



Finance Department

June 26, 2014



# OVERVIEW

- Role of Finance (FIN) Department – Disaster Recovery Group
- Funding Source
- Disaster Recovery and Funds Management
- Common Terms
- Reporting Requirements
- Administrative Procedure (A.P) 4-2– Emergency Cash Account (ECA)
- Audit Requirements



## ROLE OF FIN – DISASTER RECOVERY GROUP

- Develop and administer budgets, fund transfers, and all fiscal matters related to disaster
- Coordinate reporting on cost incurred and project completion status:
  - Track Expense
  - Federal Emergency Management Agency (FEMA) Quarterly Reports
- Provide directions for financial accounting and reporting



## ROLE OF FIN – DISASTER RECOVERY GROUP

- The City's designated Agent with FEMA and FHWA (Federal Highway Administration)
- Coordinate the preparation & submission of:
  - FEMA Project Worksheets (PW), PW Amendments and Supporting Documentation
  - FHWA Emergency Relief (ER) Claims
- Work with FEMA/TDEM (Texas Department of Emergency Management), FHWA/TxDOT and City representatives to resolve issues
- Prepare and submit required reports
  - Quarterly Reports
  - Time Extension Requests



## ROLE OF FIN – DISASTER RECOVERY GROUP

- Act as liaison for audits by State, Federal, and City Financial Auditors
- Prepare PW closeout documentation and submit to State:
  - FEMA - Project Completion and Certification Report “P-4”
  - Claim Summary Form
- Respond to the audit findings and questioned costs
- Develop Appeal to FEMA
- A.P 4-2

<http://www.houstontx.gov/adminpolicies/4-2.pdf>

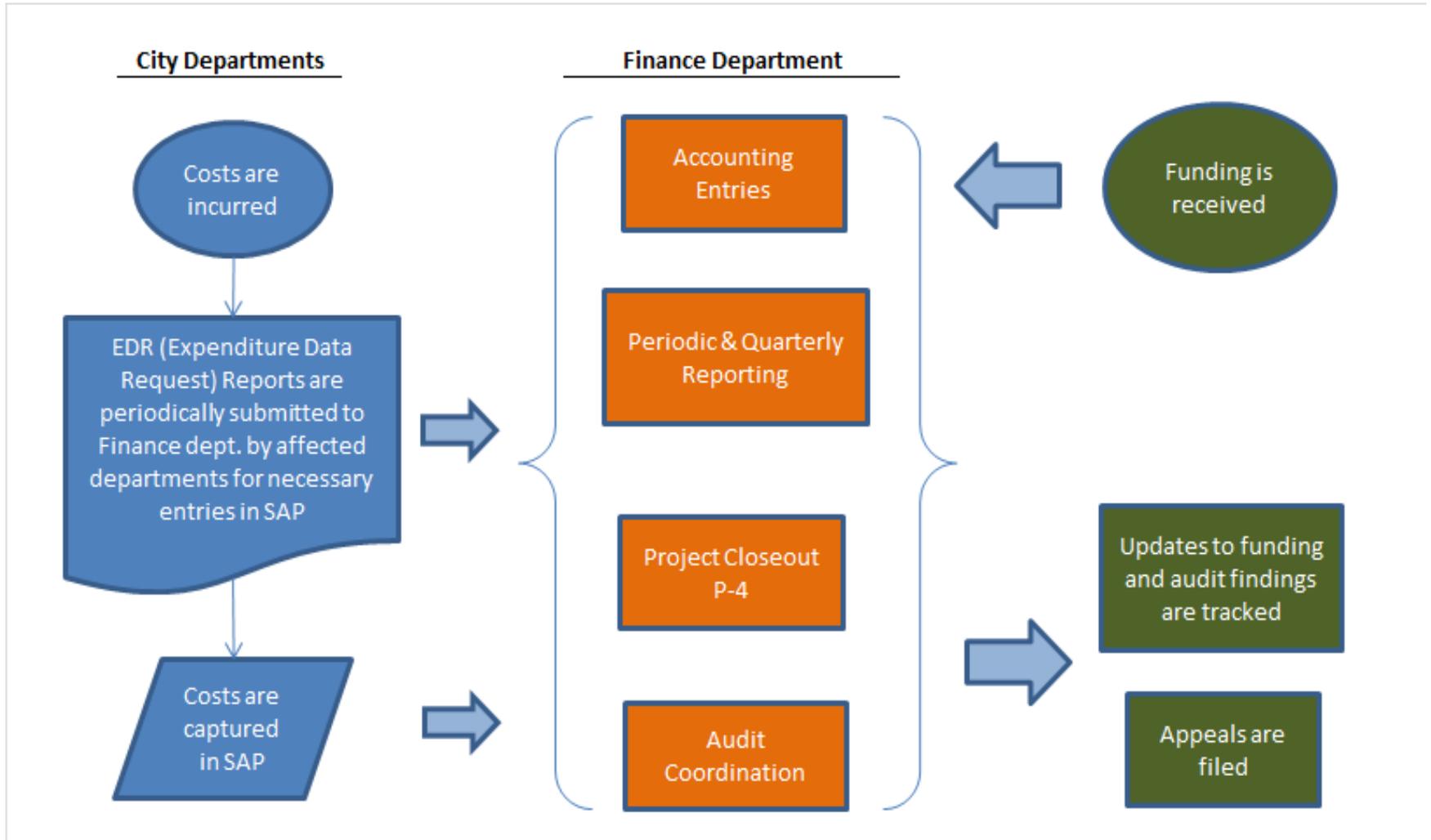


# FUNDING SOURCES

- **Insurance**
  - City's Property Insurance Coverage
- **FEMA** – Federal Emergency Management Agency
  - Public Assistance (PA) Program
  - HMGP – Hazard Mitigation Grant Program
  - Administered by TDEM
- **FHWA** – Federal Highway Administration
  - Debris removal and eligible FHWA road system repairs/replacements
  - Administered by TxDOT
- **Donations**
  - Organizations
  - Individuals



# DISASTER RECOVERY AND FUNDS MANAGEMENT





## DISASTER RECOVERY AND FUNDS MANAGEMENT

- An Internal Order (I/O) Number is established prior to the onset of the disaster and distributed to all departments
- A specific I/O Number for each disaster event
- This I/O Number will be used to identify each SAP transaction, (revenue/expenditure), resulting from this event



# DISASTER RECOVERY AND FUNDS MANAGEMENT

Goods Receipt Settings System Help

Display Material Document 5000130349 -

Display Material Document 5000130349 2008

General Vendor Doc.info

Document Date 12/18/2008 Delivery Note Vendor PV RENTALS  
Posting Date 12/18/2008 Bill of Lading HeaderText

Line	Mat. Short Text	C EUn	Cost Center	Order	Bu...	G/L A...	M...	D	Stock Type	Plnt	S...	Customer
1	TRUCK RENTAL WITHOUT DRIVER	3 MO	2100010005	30000061	00	521705	102	-	Unrestricted use	City of Houst..		
2	SURCHARGE PER MONTH FOR TITLE- REGIS.	3 MO	2100010005	30000061	2100	522430	102	-	Unrestricted use	City of Houst..		

Material Quantity Where Purchase Order Data Partner Account Assignment

G/L account 521705  
Fund 1000  
Cost Center 2100010005 Grant NOT\_RELEVANT  
Functional Area PUWO - 00 - 00000000  
Funds Center 2100010005 Commitment Item 521705

Line 1

SAP KOB1 TC76 INS

2:33 PM Tuesday 6/4/2013

Hurricane Ike Citywide  
I/O No. 30000061





# DISASTER RECOVERY AND FUNDS MANAGEMENT

Required by FIN from COH Departments:  
EDRs - Expenditure Data Requests

HURRICANE IKE AID & RECOVERY												
EDR/ EXPENDITURE DATA REQUEST												
INCEPTION THRU DEC 31, 2013												
DEPT: PARKS & REC												
						FEMA CASH RECEIPTS		FEMA PW INFORMATION			2013	
DESCRIPTION						DATE DEPOSITED	AMOUNT DEPOSITED TO DATE	FEDERAL SHARE %	FEDERAL SHARE AMOUNT	TOTAL PW AMOUNT	% OF COMPLETION AT 12/31/13	COST INCURRED PAID & UNPAID BY 12/31/13
EMMIE PW# PW Ref# PW Type Date Obligated						G	H	I	J	K	L	M
HERMANN PARK DEBRIS REMOVAL						11/20/13	200,000.00	90.00	180,000.00	200,000.00	100	221,062.67



## COMMON TERMS

***Project Worksheet (PW)*** – FEMA form which is the basis for PA funding for a project. The PW includes a facility location, a damage description, scope of eligible work in the form of emergency work or permanent work, estimated or actual costs, etc. PWs further address the special conditions of insurance, environmental and historical issues

***Public Assistance (PA)*** – FEMA program to provide supplemental federal disaster grant assistance for debris removal, emergency protective measures, and the repair, replacement, or restoration of disaster-damaged publicly owned facilities. The PA program also encourages protection of these damaged facilities from future events by providing assistance for hazard mitigation measures. The PA program provides federal assistance for emergency work and permanent work

***Robert T. Stafford Act*** – Authorizes federal disaster assistance to individuals and to governmental entities in the aftermath of a major emergency or disaster and outlines the types of available assistance. The majority of federal disaster assistance programs are administered by state agencies



## COMMON TERMS

**Obligation/De-obligation** – Obligations are claims that are accepted and funded by FEMA. De-obligations are obligated amounts that can be taken back (de-obligated) if the subsequent audits by TDEM, FEMA, and the OIG find any irregularities such as expenses not covered under FEMA (federal), TDEM (state) rules or other rules such as OMB Circular A-133

**Eligible Work** – Work that is (i) a direct result of a presidentially declared major disaster or emergency, (ii) within the designated disaster area, unless associated with sheltering or evacuation activities, (iii) the scope of work is clearly defined on an approved Project Worksheet (PW) and (iv) the legal responsibility of the City. The purpose of such work is either for emergency protective measures, permanent restoration or debris removal

**Emergency Work** – An activity done before, during and after a disaster to save lives, protect and preserve property, public health, safety, and to provide essential public services. The two “emergency” work categories are identified as Categories “A” and “B”:

- (A) Debris Removal – Work to clear debris from public rights of way and other public property
- (B) Emergency Protective Measure – Work before, during and after a disaster to eliminate / reduce immediate threats to life, public health, or safety, or to eliminate / reduce an immediate threat of significant damage to public and private property through cost-effective measures



## COMMON TERMS

**Permanent Work** – Work that is required to restore a damaged facility to pre-disaster design, function, and capacity in accordance with applicable codes and standards. The five “permanent” work categories are identified as Categories “C” through “G”:

- (C) Road and Bridges – Roads, bridges, traffic controls, lighting, culverts, etc.
- (D) Water Control Facilities – Drainage channels, pumping facilities, some irrigation facilities
- (E) Buildings and Equipment – Buildings, including their contents and systems, heavy equipment and vehicles
- (F) Utilities – Water treatment and delivery systems, power generation and distribution facilities, sewage collection and treatment facilities, communications, etc.
- (G) Parks, recreational facilities, and other facilities



## REPORTING REQUIREMENTS

- Quarterly Reports to TDEM
- Project Extension Reports
- SEFA
- Cash Flow Analysis





## ADMINISTRATIVE PROCEDURE (AP) 4-2 REVISED

- Internal Disaster Preparation & Recovery AP 4-2 was revised May 2014
- Emergency Cash Account (ECA)
  - Policies and procedures governing ECA
  - ECA Facilitates:
    - Cash during a disaster
    - Restricted use of ECA for goods or services during disaster
- ECA is not a petty cash fund, but controls will be similar as petty cash or stricter



## Emergency Cash Account Receipt

<b>CITY OF HOUSTON EMERGENCY CASH ACCOUNT RECEIPT</b>		Dept. No.*			No.**								
Paid by:	Paid to:												
<b>DESCRIPTION</b>					Phone:								
					Address:								
					TAX EXEMPTION I.D.				<b>1-74-600-1164-0</b>				
					INTERNAL ORDER #								
					AMOUNT								
Date:		Received by:											

<b>CITY OF HOUSTON EMERGENCY CASH ACCOUNT RECEIPT</b>		Dept. No.*			No.**								
Paid by:	Paid to:												
<b>DESCRIPTION</b>					Phone:								
					Address:								
					TAX EXEMPTION I.D.				<b>1-74-600-1164-0</b>				
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<b>CITY OF HOUSTON EMERGENCY CASH ACCOUNT RECEIPT</b>		Dept. No.*			No.**								
Paid by:	Paid to:												
<b>DESCRIPTION</b>					Phone:								
					Address:								
					TAX EXEMPTION I.D.				<b>1-74-600-1164-0</b>				
					INTERNAL ORDER #								
					AMOUNT								
Date:		Received by:											

\*Department's two digit identifier (e.g., 65 for ARA)

\*\*Four digit, unique, sequential numbering identifier (e.g., 0001). No duplicate numbers should exist in the same department during the same state of emergency.



## AUDIT REQUIREMENTS

- Conducted by:
  - FEMA
    - TDEM audits (State)
    - OIG audits (Federal)
  - A- 133 Annual Audit (External)
- Negative audit findings may result in:
  - De-obligation (Re-payment) of funds by FEMA or FHWA
  - Adverse City fiscal year end report
- Departments must maintain required documents to support the audits
- Documentation must be maintained indefinitely or until notified otherwise by Finance department.



## AUDIT REQUIREMENTS

Do's	Don'ts
Respond Timely	Ignore the Auditors
Save and Organize emails	Delete emails or destroy documents
CC you coworkers	Don't send illegible copies
Get it in writing!	Don't wait till the last minute to respond to Audit requests
Organize by PW# or Reference#	Don't assume the money is ours rather a loan until the audits are completed
Keep scanned copies or duplicate copies	Don't forget to have a proper transition, if employee leaves
Follow the City's Emergency Purchasing Guidelines	Don't forget to save the list of passwords and keep them intact
Provide Summary Schedules	
Consider Preposition Contracts	



## FINANCE CONTACTS

- **Joe Dumas**, Deputy Assistant Director 832-393-9019
- **Bobby Qasim**, Division Manager 832-393-9096
- **Michelle Simpson**, Staff Analyst 832-393-9017
- **Fazal Syed**, Financial Analyst 832-393-9037