

**Rhode Island and Southeastern Massachusetts
Area Contingency Plan**

FINANCE/ADMINISTRATION

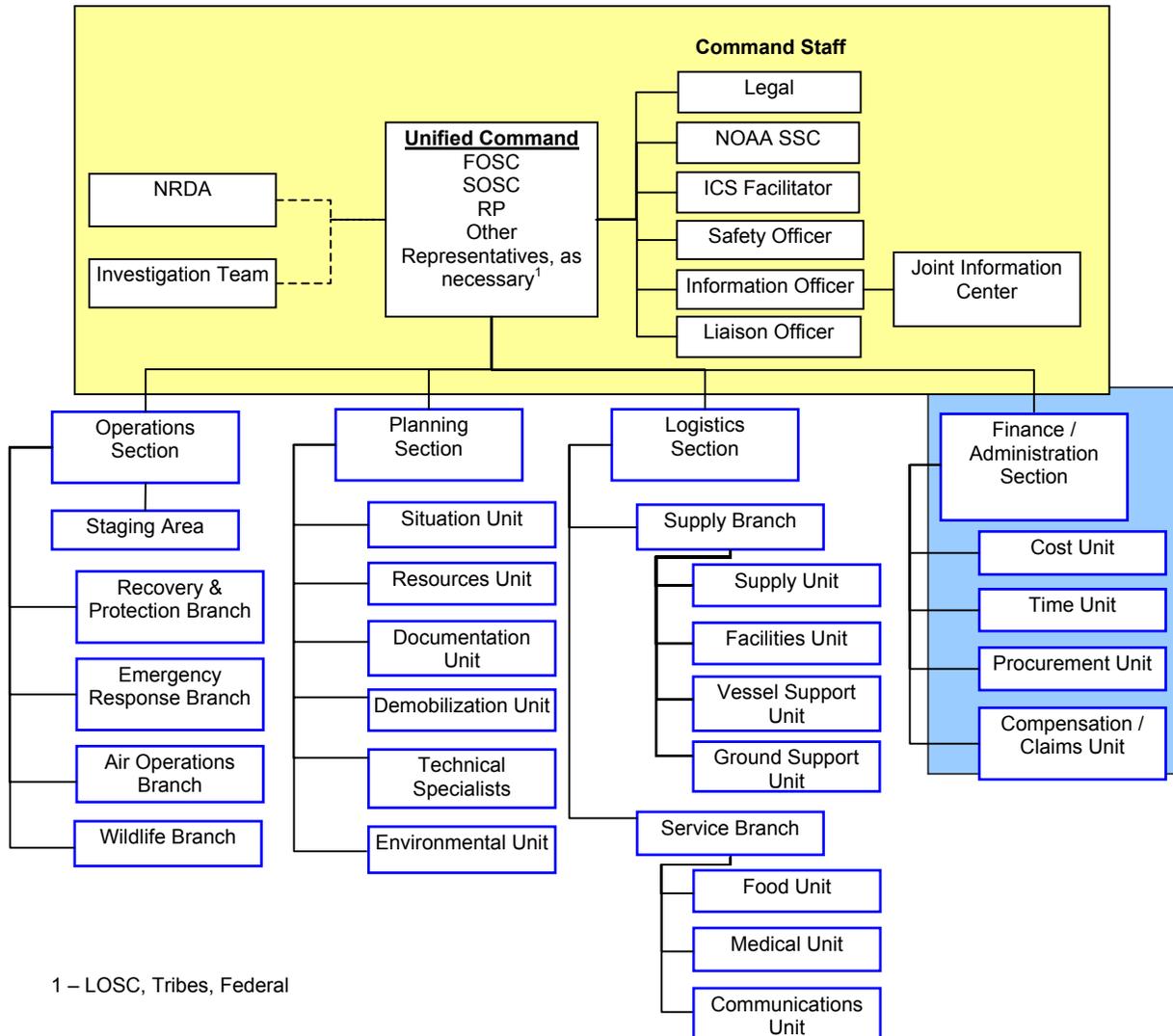
6000 Finance/Administration

The Finance/Administration Section is responsible for documentation of all incident costs, and providing guidance to the Incident Command on financial issues that may have an impact on incident operations. The [FOSC Finance and Resource Management Field Guide \(FFARM\)](#) is designed to succinctly describe contracting and financial management processes and procedures. It covers roles and responsibilities, principal terms, definitions, contracting policies and procedures, for financial management and documentation requirements. Also, it provides references to related information where appropriate.

6100 Finance/Administrative Section Organization

Figure 6-1 on the previous page is an organizational chart of the Finance/Administrative Section and its subordinate units. It serves as an example and is not meant to be all-inclusive.

**Figure 6-1
Finance/Administration Section Organization**



**Rhode Island and Southeastern Massachusetts
Area Contingency Plan**

FINANCE/ADMINISTRATION

The functions of the Finance/Administrative Section must be accomplished during an incident, however, they can be expanded, as needed, into additional organizational units with appropriate delegation of authority.

Roles and responsibilities of the finance section can be found in the [Incident Management Handbook](#) or [ICS Job Aids](#). The specific duties and responsibilities of the Finance/Administration Section Chief Officer can be located in the [Finance/Admin Section Chief Job Aid](#).

The Rhode Island and Southeastern Massachusetts Area Committee Watch, Quarter & Station Bill (WQSB) describes the financial section's organizational elements, job/source titles, and initial position holders.

6200 Fund Access

[National Pollution Funds Center \(NPFC\)](#) administers the Oil Spill Liability Trust Fund (OSLTF or "the Fund"), as an independent Headquarters unit reporting directly to the Chief of Staff of the Coast Guard.

Oil Spill Liability Trust Fund (OSLTF) – A billion dollar fund established to pay for removal and certain other costs and damages resulting from oil spills or substantial threats of oil spills. The OSLTF is used for costs not directly paid by a responsible party (RP) or guarantor, including costs to respond to "mystery spills" for which there is no identified RP. The NPFC has published "[Technical Operating Procedures for Determining Removal Costs under OPA 90.](#)" [Title 33 CFR 153](#) outlines the uses of the Fund. The Coast Guard Marine Safety Manual Volume 9, [Commandant Instruction M16000.14](#), Section 5.B addresses additional topics with regard to the fund. Additional information can be located in the [FOSC Finance and Resource Management Field Guide \(FFARM\)](#).

Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (CERCLA) - A Memorandum of Understanding between the USCG and the EPA allows the USCG to access the Hazardous Substance Response Trust Fund when the USCG undertakes response activities pursuant to CERCLA, commonly referred to as Superfund, Executive Order 12316, and the provisions of Subpart E of the NCP. When EPA provides the FOSC, the EPA Regional Administrator has authority to approve Trust Fund expenditures not to exceed \$2,000,000. EPA Headquarters must approve expenditures exceeding \$2,000,000.

When the USCG provides the FOSC, the USCG FOSC has authority to approve Trust Fund expenditures not to exceed \$50,000. USCG FOSCs can receive approval for CERCLA Trust Fund expenditures up to \$250,000 through the Commander, First Coast Guard District. For additional expenditures, approval from the EPA Emergency Response Division is necessary.

To make or process a claim, an account number must be obtained from EPA Headquarters by calling the EPA Emergency Response Division at (202) 260-2188. After hours, the fund may be accessed by calling the NRC at (800) 424-8802, or (202) 267-2675. The NPFC has published "[Technical Operating Procedures for Determining Removal Costs under CERCLA.](#)"

Other government agencies may have a publication listing their standard rates, and if so should provide this to the FOSC. If not, that agency should execute a [Pollution Removal Funding Authorization \(PRFA\)](#) Form with the FOSC.

**Rhode Island and Southeastern Massachusetts
Area Contingency Plan**

FINANCE/ADMINISTRATION

In cases where a local government or Native American tribe conducts temporary emergency measures in response to a hazardous substance release, but does not have emergency response funds budgeted, EPA operates the [Local Governments Reimbursement program](#) that will reimburse local governments or Indian tribes up to \$25,000 per incident.

6210 OSC Access

Other federal agencies have authority to expend Trust Fund money in accordance with [Interagency Agreements \(IAG\) and Memorandums of Understandings \(MOU\) with the EPA](#). Reimbursement of agency expenditures will be in accordance with the procedures specified in these IAGs and MOUs. The OSLTF or Superfund may be used to undertake immediate removal actions when the agency providing the FOSC determines that such action will prevent or mitigate immediate and significant risk of harm to human life, health or to the environment from such situations as:

- Human, animal, or food chain exposure to acutely toxic substances
- Contamination of a drinking water supply
- Fire and/or explosion
- Similar acute situations

6220 State Access

Oil Pollution Act 1990 (OPA 90)- Authorizes the President, upon request of the Governor of a state, to obligate the OSLTF for payments not to exceed \$250,000 per incident, for removal costs consistent with the [National Contingency Plan](#). The FOSC reviews the request for eligibility under the OPA 90 and applicable regulations then approves or denies the Governor's request. The NPFC has published "[Technical Operating Procedures for State Access](#)" and promulgated regulations in [33 CFR Part 133](#) entitled, "State Access to the Oil Spill Liability Trust Fund for Removal Costs Under the Oil Pollution Act of 1990." States are required to coordinate their removal actions with the FOSC and retain records of expenditures.

There are three methods available to states and/or political subdivisions for payment of removal costs:

- Direct state access to the OSLTF;
- Execute a [Pollution Removal Funding Authorization \(PRFA\)](#) with the FOSC; or
- File a claim after the fact with either the responsible party or the NPFC.

6230 Trustee Access

Federal Trustees may submit an Initiate Agreement to the NPFC to fund the Initiation of Natural Resource Damage Assessments (NRDA) and can submit claims for NRDA costs not paid by the RP. [NPFC Instruction M5402.1](#) provides the Interagency Agreement for providing funding to Natural Resource Trustees to conduct the Initiation of an Assessment of Natural Resource Damages under the Oil Pollution Act of 1990 (OPA).

**Rhode Island and Southeastern Massachusetts
Area Contingency Plan**

FINANCE/ADMINISTRATION

6300 Cost

Responsible parties are liable for damage claims and removal costs resulting from discharges or substantial threats of discharges of oil and/or hazardous substances into or upon the navigable waters of the U.S and adjoining shoreline. Notices of Federal Interest, Letters of Federal Assumption, Letters of Designation, and/or Administrative/Directive Orders are required as part of the financial management during a response ([See Section 4800](#) for more information about this documentation).

For cases where the responsible party is either unknown, or is unable or unwilling to meet this obligation, the Oil Spill Liability Trust Fund (OSLTF) will pay for removal costs and claims.

When responding to an oil pollution incident, and when deemed appropriate, the FOSC obligates a Federal Project Number (FPN) and assigns a dollar ceiling. As removal activities proceed, and it appears costs will exceed the original ceiling, the FOSC may request an increase to the ceiling.

A three-level system has been developed to help determine the complexity of a case and its required resource documentation. The FOSC will determine which level best applies to an incident.

The following criteria is designed to assist the FOSC in making this determination:

Level	Total Government Costs	Completion of Removal Activities
I – Routine	<\$50,000	~ 2 Weeks
II – Moderately Complex	\$50,000-\$200,000	> 2 Weeks
III – Significantly Complex	>\$200,000	Undetermined

The costs of all purchases, contracts, services, and authorizations of activity are applied against the ceiling. Each contractor or government agency is responsible for keeping track of their costs during the removal and for staying inside the limits given to them by the FOSC, or requesting an increase in the established ceiling.

A Process Flow for Preliminary Assessment, a FOSC Financial Management Documentation Flow Process, and a Documentation and Cost Recovery Process Flow are available in the [FOSC Finance and Resource Management Field Guide \(FFARM\)](#).

6310 Cost Documentation Procedures, Forms & Completion Report

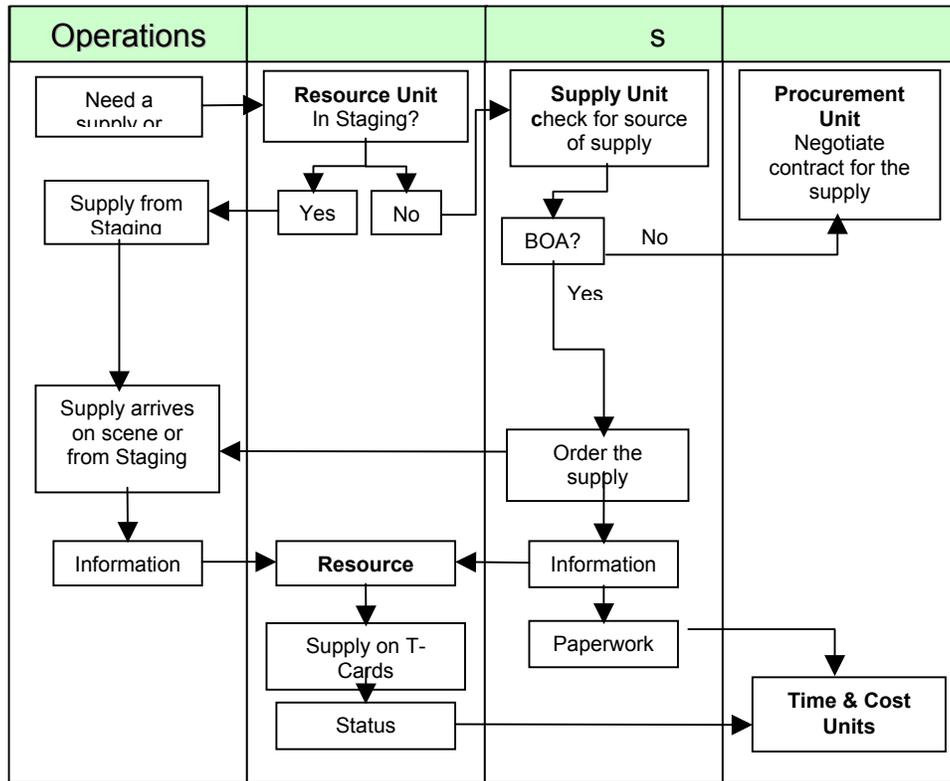
Figure 6-2 is a Resource Tacking & Cost Accounting Flowchart describing how the various sections must work together to provide the responsible party with an accurate accounting.

The Microsoft Excel-based (Excel) Automated CG-5136 series, available on disk from NPFC, is recommended for documenting spill related costs and other financial management outputs. The NPFC also maintains copies of these forms, which can be downloaded for printing, at its website: <http://www.uscg.mil/hq/npfc/npfc.htm>. Additional information is available in NPFC's "[Technical Operating Procedures for Resource Documentation](#)" (TOPS).

**Rhode Island and Southeastern Massachusetts
Area Contingency Plan**

FINANCE/ADMINISTRATION

**Figure 6-2
Resource Tracking & Cost Accounting**



6400 Time

A time unit shall be established during an incident. The accurate reporting of time for personnel and equipment shall be conducted in the following manner:

Personnel

- Establish and maintain a file for personnel time reports within the first operational period. Initiate, gather, or update a time report from all applicable personnel assigned to the incident for each operational period. Maintain a log of excessive hours worked and give to Time Unit Leader daily.
- Ensure that all personnel identification information is verified to be correct on the time report.
- Post personnel travel and work hours, transfers, promotions, specific pay provisions and terminations to personnel time documents.
- Ensure that time reports are signed. Close out time documents prior to personnel leaving the incident. Distribute all time documents according to agency policy.

Equipment

**Rhode Island and Southeastern Massachusetts
Area Contingency Plan**

FINANCE/ADMINISTRATION

- Advise Ground Support Unit, Facilities Unit, and Air Support Group of the requirement to establish and maintain a file of daily records for equipment time reports. Assist units in establishing a system for collecting these equipment time reports.
- Post all equipment time tickets within four hours after the end of each operational period.
- Prepare a use and summary invoice for equipment (as required) within 12 hours after equipment arrival at incident.
- Submit data to Time Unit Leader for cost effectiveness analysis.
- Maintain current posting on all charges or credits for fuel, parts, services and commissary.
- Verify all time data and deductions with owner/operator of equipment.
- Complete all forms according to agency specifications. Close out forms prior to demobilization. Distribute copies per agency and incident policy.

The logistics section of the ICS can arrange to have meals purchased from local establishments (e.g., supermarket deli box lunch) and charge to fund. All personnel that are Temporary Assigned Duty (TAD) at spill site must have these meals annotated on their orders.

6500 Compensation/Claims

Persons and government agencies, which incur damages as a result of discharges or substantial threats of discharges of oil, are entitled to compensation. The responsible party is primarily liable for satisfying legitimate claims expeditiously. Section 1002 of OPA 90 describes damages as including natural resources, real or personal property, subsistence use, revenues, profits and earning capacity, and public services. The responsible party, as designated by the FOSC, is required to advertise, in a manner directed by the NPFC, the name, address, telephone number, office hours, and workdays of the person(s) to whom claims are to be presented and from whom claim information can be obtained.

If the responsible party denies responsibility, proves unwilling or unable to deal with claims, or refuses to advertise, the NPFC will assume the role of responsible party for the purpose of receiving and paying claims.

The Compensation/Claims Unit Leader is responsible for the overall management and direction of all compensation for injury specialist and claims specialists assigned to the incident. The following procedures shall be followed:

- Establish contact with incident safety officer and liaison officer or agency representatives if no liaison officer is assigned. Determine the need for compensation for injury and claims specialists and other personnel if needed.
- Review Incident Medical Plan.
- Establish compensation for injury work area with the medical unit whenever feasible.
- Ensure that compensation/claims specialists have adequate workspace and supplies. Brief compensation/claims specialists on incident activity.
- Coordinate with procurement unit on procedures for handling claims. Keep Finance/Administration Section Chief briefed on unit status and activity.

**Rhode Island and Southeastern Massachusetts
Area Contingency Plan**

FINANCE/ADMINISTRATION

- Periodically review all logs and forms produced by compensation/claims specialists to ensure: work is complete; entries are accurate and timely; and work is in compliance with agency requirements and policies.
- Ensure that all compensation for injury and claims logs and forms are up to date and routed to the proper agency for post-incident processing prior to demobilization.
- Demobilize unit in accordance with demobilization plan.

Additional guidance is available on [NPFC's Claims Information](#) Website.

6600 Procurement

The purpose of procurement is to:

- Negotiate, coordinate, document, and manage all contracts needed to support response operations;
- Manage, coordinate, document, and account for all procurement orders needed to support response operations;
- Manage, coordinate, document, and account for all payments made to support response operations;
- Identify additional resources and logistics support needed to accomplish contracting and procurement services; and
- Report on the status of contracting, procurement, and payment services.

The procurement unit will follow the following procedures:

- Contact appropriate unit leaders on incident needs and any special procedures. Coordinate with local jurisdictions on plans and supply sources. Obtain Incident Procurement Plan.
- Establish contracts with supply vendors as required. Draft memorandums of understanding. Prepare and sign contracts and land use agreements as needed. Interpret contracts/agreements and resolve claims or disputes within delegated authority. Finalize all agreements and contracts.
 - For the process on expediting contracts please reference the “Contracting for Resources” section of the [FOSC Finance and Resource Management Field Guide \(FFARM\)](#).
 - The process for developing MOU's and land use agreements is as follows: TBD
- Coordinate with compensation/claims unit on procedures for handling claims.
- Coordinate use of imprest funds as required.
- Complete final processing and send documents for payment. Coordinate cost data in contracts with Cost Unit Leader.

6610 Contracting Officer Authority

***Rhode Island and Southeastern Massachusetts
Area Contingency Plan***

FINANCE/ADMINISTRATION

Marine Safety Office Providence currently has the authority to approve single purchases up to \$10,000 for supplies and services up to \$2,000 in construction costs. Integrated Support Command (ISC) Boston must approve any purchases above these limits. ISC Boston currently has the authority to make single purchases up to \$25,000 for supplies and services. Maintenance and Logistics Command Atlantic (MLCLANT) contracting office would have to approve of any purchase in excess of \$25,000.

6700 Reserved

6800 Reserved

6900 Reserved for Area/District

***Rhode Island and Southeastern Massachusetts
Area Contingency Plan***

FINANCE/ADMINISTRATION

61000