



## FUND MANAGEMENT DURING INCIDENTS FOR CG FOSCs

### I. OVERVIEW

The FOSC is the key individual responsible for financial management during incidents, whether oil, chemical, or disasters (ESF-10). Every direction the FOSC issues and every resource the FOSC calls upon has the potential to use funds from the ceiling that NPFC has issued for the incident. The FOSC has a range of tools to help address this responsibility, but most important is the Finance Section Chief (FSC) who is designated through the ICS (Incident Command System), which exists for every response. The FSC may be from the local unit for a small spill or brought in from the Strike Team or IMAT for a larger incident. (This augmentation can always be paid for by the fund used.)

The FOSC's financial management responsibilities, as Program Element Manager, are enumerated in the Coast Guard's FRMM (Financial Resource Management Manual). The FRMM details the responsibilities of the Program Element Manager for the funds assigned to the specific FPN/CPN/DPN. While the duties associated with Program Element Manager can be delegated in the same manner as FOSC duties can be delegated to FOSC(R), the responsibility remains with the FOSC/Sector Commander.

Funding for pollution response is distinct and independent of the unit's annual AFC-30 Operating Funds budget. Pollution response funds are in different Congressional Appropriations that cannot be used interchangeably with CG OE. The Sector and FOSC's FSC must take care to ensure that unit operating funds are not intermingled with pollution incident funds. Furthermore, the rules that govern the use of pollution response funds are in statute, and the Coast Guard is regularly audited to ensure these rules are obeyed. When in question about appropriate use of response funds, discuss in advance with the NPFC Case Officer.

The NPFC will provide the FOSC with the Ceiling/Planned Amount for each response. All funds the FOSC uses must be recorded on the CG-5136 daily records, obligated in the Finance and Procurement Desktop (FPD), tracked as resulting expenditures are incurred, and reconciled against weekly Program Element Status (PES) reports to ensure that FPD and the Core Accounting System (CAS) agree with each other. When the response ends and all spending is done, NPFC will work with the FOSC to pull back all unused funds and then secure the FPN/CPN/DPN/Program Element in the Coast Guard's CAS so that no further spending will take place for that incident.

### II. SPECIFIC REQUIREMENTS

- a. FOSC/Sector Financial Systems. When the CANAPS message is received, it must be routed through the unit's logistics department, so that the unit can give itself FPD access to the new account line. The new account line will appear in FPD as soon as it is processed by FINCEN, normally the next business day. The Planned Amount/Ceiling will promptly follow. If the FPD Planned Amount does not agree with the NPFC Ceiling message, notify the NPFC Point of Contact named in the message immediately.
- b. Ceiling Management.



- i. The FOSC must always know the current financial status of a response. On large, complex cases (ceiling over \$100K) the FOSC should compare the authorized ceiling against cumulative obligations daily. For smaller cases, this must be done for each POLREP issued.
  - ii. The CG-5136 Summary form provides a simple procedure to allow this comparison. The purpose of this daily comparison between ceiling and cumulative obligations is to ensure the FOSC does not commit more funds than are available. If additional funds become necessary, the FOSC should promptly use CANAPS to request an increase to the Ceiling. Note: This process depends on entering on the 5136 Daily Form all obligations incurred during that day. See below for the definition of obligations. While this entry duplicates the official entry in FPD, it only requires the DCN and amount obligated to be recorded, and facilitates the quick comparison that is operationally necessary.
- c. Obligations. When the FOSC directs an action that will result in OSLTF, CERCLA, or Stafford Act expenses to be paid by the CG, that order or direction constitutes grounds for recording an obligation. An obligation by definition is often an estimate of the final cost – but must be recorded immediately in the CG Financial Systems (FPD) so that there is a record of this potential payable. This is mandated by GAO, the FAR, and CG FRMM.
- i. Examples of Obligations:
    1. Contracts with vendors (SILC will record BOA Authorizations to Proceed),
    2. Purchases,
    3. Travel Orders,
    4. Reserve ADT orders created in Direct Access,
    5. Pollution Removal Funding Authorizations (PRFAs) with other government agencies supporting the FOSC (eg: spill trajectories by NOAA),
    6. Local procurements for lodging, meeting facilities, or the rental of equipment needed by the FOSC.
  - ii. If a question arises whether an action should be recorded as an obligation, contact the NPFC Case Manager identified on the CANAPS ceiling message.
- d. Recordkeeping
- i. The FOSC must keep an organized, daily record of both CAS obligations and NON-CAS costs (CG assets) used for the response.
  - ii. For CAS obligations, the FOSC must use FPD and the CG-5136 Forms to track the Ceiling/Planned Amount, Obligations, and the resulting available ceiling balance.



- iii. For NON-CAS costs, the FOSC must record the use of CG assets deployed to the incident for the response. These costs CAN NOT be recorded in FPD/CAS, but are equally critical for incident financial management. They are a key part of the bill the Coast Guard sends the spiller for the costs of the spill.
- iv. Use the CG-5136 Daily Form to record what assets are used each day. The CG-5136 form allows for entry of the following types of CG resources, based on hours used. Examples of assets used:
  - 1. Personnel (Active Duty, Civilian)
  - 2. Boats
  - 3. Cutters
  - 4. Aircraft
  - 5. Specialized CG Pollution Response Equipment (boom, pumps, etc.) (See current edition of COMDTINST 7310.1 – Standard Rates)
- e. Reporting. When an incident is funded by OSLTF, CERCLA, or the Stafford Act (FEMA), the FOSC must report in every POLREP/SITREP the FPN/CPN/DPN, the authorized ceiling, and the cumulative removal obligations to date for the incident. The NPFC must be included as an Info Addressee on these messages.
- f. Reconciliation. The Sector serving as FOSC is the designated Program Element Manager for those funds assigned to the response/incident. The FOSC/R is responsible to ensure that incident accounts are appropriately reconciled as required by the FRMM.
  - i. The unit requesting funds should ensure that the individual who will be responsible for reconciling these accounts has access to each account in FPD, and ensuring that the reconciler is an authorized reconciler on the Unit UAP. The process of reconciling these cases is no different than reconciling the unit's OE account. It is imperative however that the reconciler communicates with the FOSC/R in order to ensure that transactions hitting the account are valid.
  - ii. Weekly PES reconciliation is required for these accounts to ensure FPD and CAS are in agreement. PES Reports are generated when there is activity within an account. Once the incident is closed and existing transactions have processed, NPFC will execute an FTA pulling any remaining planned amount balance back into the Emergency Fund (or other funds). NPFC will coordinate with FINCEN to close the cost center disabling the ability to create new obligations. Although the account will not 'go away', PES reports will not be generated as long as there aren't any new transactions hitting against the account.
  - iii. OOVA and other related processes apply.



- iv. Currently pipeline certification is completed for annual appropriations. An FOSC/R is required to coordinate pipeline certification for CERCLA and Disaster cases open during the current FY with the Logistics Department Head. All CERCLA and Disaster cases under the purview of the Sector should be certified in the same manner as they certify their OE accounts. The unit should act as certifier and Management Review Official, and the District will act as ATU certifier.
- v. The OSLTF is a 'no-year' appropriation and currently does not require pipeline certification. However, the unit shall ensure obligations are appropriately recorded in accordance with current obligation policy as amended in ALCGFINANCE messages.

### III. INCIDENT FUND MANAGEMENT - RELATED TOPICS

- a. Use of CG RESERVISTS: CG FOSCs responding to major spills frequently need additional personnel to augment their ICS response structure. CG Reservists often are used in this capacity. The OSLTF, CERCLA, or Stafford Act funds can be used to pay for Reservist orders when the Reservists are directly involved in the response and directly working in the FOSC's ICS system.  
Caution: If reservists are being used as "backfill" at another command so that active duty CG personnel can be deployed to support the FOSC, the response funds cannot be used – another source of CG funding must be provided.
  - i. The need for CG Reservists shall be documented using the ICS 214 form, approved by the FOSC.
  - ii. CG PERSRUs shall use Direct Access to issue the orders, employing the accounting line for the incident that was issued by CANAPS. Direct Access has been programmed so it can accept OSLTF, CERCLA (Reimbursable) and Stafford Act (Reimbursable) funds, but special rules apply. Contact CG Personnel Command if assistance is needed. It is critical that the correct account line for the incident is used – or the charges could be applied to the wrong Appropriation and the CG could be at risk of an Anti-Deficiency Act violation.
  - iii. Direct Access will issue a set of Orders that includes pay, allowances, and travel under the same TONO. Do NOT issue separate travel orders for CG reservists.
  - iv. The CG PERSRU will ensure that all orders issued result in obligations being recorded in FPD/CAS. Doc Type 71 Reservist orders result in automatic obligations in FPD/CAS, but Doc Type 72 Reservist Orders must be manually obligated in FPD/CAS by the CG PERSRU issuing the orders.
  - v. As CG Reservists report in to the FOSC, the ICS Documentation Section shall collect a copy of the orders for personnel management and subsequent cost documentation. Likewise, the ICS Documentation



Section must track the demobilization process for these personnel. [More detail on what 'tracking' the demob process entails?]

- vi. Orders that are issued but not used shall be promptly de-obligated in FPD/CAS when they are cancelled in Direct Access.
- b. Credit Cards. Credit card purchases are problematic and not the preferred method of obtaining supplies/services for small/short duration responses.
  - i. Local Credit Card Procurements will require coordination with the local cardholder and the local reconcilers. If a credit card purchase is needed for a response, the unit will need to determine whether or not they have a purchase card associated with the oil spill response accounts (Approp "SZ") or a reimbursable card for CERCLA/Disaster ESF-10 responses. If they do, the card holder can either change the default Line of Accounting (LOA) currently associated with the card, via FINCEN, to the new LOA established for the response, or keep the LOA as the default account and use Purchase Card Application (PCA) to update the accounting data fields (primarily the Program element field) as the charges hit against the system. It is highly recommended that you make your accounting line adjustments in PCA to avoid having to do PES error adjustments in FPD after the fact.
  - ii. If no response card (Approp "SZ") is available, the unit can make purchases utilizing their existing unit purchase cards and then submit PES error adjustments in FPD to move the charges from their OE account to the appropriate response account. The FOSC/R is responsible for ensuring Credit Card obligations are recorded in FPD. Any charges not associated with the correct account line will need to have a PES error submitted in order to have the charges hit against the correct accounting line. Follow existing CG procedures to change the accounting line associated with a credit card.
- c. CG Civilian Overtime. The CG frequently deploys its civilian workforce to major incidents. Civilian pay is recorded on the CG 5136 using CG Standard Rates. Include any overtime in hours worked for a given day. However, any overtime a CG civilian performs results in additional pay for that individual and can be directly funded by the respective fund.
  - i. Authorizing Overtime: The FOSC shall use the ICS 214 form to document the need for CG Civilian Overtime Pay, specifying the Employee's Name, home unit, pay schedule (GS or WG), and grade, and the hours authorized for the respective pay period (PPD 1 through 26). This must be done in advance and a copy provided to the employee and his/her home unit.
  - ii. Paying Overtime:



1. The civilian worker shall report to his/her home unit timekeeper the hours of overtime actually performed, and provide a copy of the FOSC approved ICS 214 as supporting documentation.
  2. There are pay ceilings that limit the amount of overtime that can be paid to any civilian employee. The home unit timekeeper must ensure these ceilings are tracked to ensure they are not exceeded. Personnel will not be paid in excess of any pay ceiling that exists in the CG Civilian Pay system.
  3. The CG Civilian Pay System shall record the overtime hours worked and ensure the person is paid accordingly. However, it cannot differentiate the overtime used for the incident from other overtime performed by the person. This can result in the civilian employee's home unit overtime payroll account being charged those costs.
- iii. It may become necessary to replenish the home unit overtime account.
1. To do so, the home unit must forward to the AFC-08 Manager a copy of the ICS-214 form(s) approved by the FOSC along with an accounting of the overtime actually paid from the unit's account.
  2. Send a copy of this documentation package to the NPFC Case Officer at the same time. Identify the FPN/CPN/DPN that applies to the documentation package.
  3. The home unit can do this at any time during the incident, but should do it within 90 days of the response being concluded.
  4. The AFC-08 Manager may then replenish the unit's overtime payroll account.
- iv. The AFC-08 Manager then works with the NPFC to shift the specific overtime expense in CAS from AFC-08 to the appropriate response fund.