

## Reimbursing Agencies for Disaster Expenses

This document outlines the basic steps for processing disaster-related (other than COVID-19) reimbursements between VDEM and receiving agencies.

### VDEM's Process for Reimbursing Agencies

- Agencies incur eligible disaster-related damages or expenditures, VDEM assesses costs/damages
- For a federally-declared disaster:
  - The state agency submits costs to FEMA for 75% federal reimbursement
  - VDEM assesses sum-sufficient authority for the disaster to cover the 25% non-federal share
  - FEMA obligates the funding to VDEM, VDEM enters into a grant agreement with the state agency, final cost share is identified
  - VDEM determines what percentage of federal funding is appropriate to reimburse after obligation, and what percentage is appropriate to hold until FEMA completes their final documentation inspection (to reduce the risk of federal funds being re-cooped in future fiscal years). VDEM does not pay the state share (25%) of the FEMA project until the FEMA final inspection is complete.
  - State agency requests reimbursement in vdem.emgrants.com
  - VDEM creates payment voucher with appropriate coding – fund 10000
  - VDEM confirms federal appropriation and coordinates BEX with DPB and State Agency
  - Agency transfer is executed (see DPB section below)
- For a state-declared disaster and non-federal portion of federally-declared disaster:
  - State agency submits costs to VDEM in vdem.emgrants.com
  - VDEM validates damages/costs for eligibility
  - VDEM assesses authority (if there is a Governor's EO) need
    - If authority exists, state agency submits a reimbursement request
      - VDEM creates payment voucher with appropriate coding – fund 02460
      - VDEM confirms state appropriation and coordinates BEX with DPB and State Agency
      - Agency transfer is executed (see DPB section below)
    - If authority does not exist, VDEM submits a decision brief and follows the steps above once authority is granted

### DPB's Role in Processing BEX Requests for Disaster Reimbursements

- After VDEM finishes reviewing and approving an agency's request for disaster reimbursement, DPB reviews the BEXs in the PB system transferring appropriation from VDEM to the receiving agency
- DPB will confirm that appropriation is being transferred according to documentation provided by VDEM and will confirm that the receiving agency's BEX requests appropriation in the correct funds:
  - **Federal funds transferred from VDEM must be transferred into a federal fund at the receiving agency**

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- **Sum sufficient (fund 02460) transferred from VDEM must be transferred into fund 02460 – Disaster Recovery Fund at the receiving agency**
- **No other funds will be allowed for these transfers, even if the expenditures for the disaster were originally made from another fund**
  - The Department of Accounts (DOA) will establish access to fund 02460 in Cardinal if a receiving agency does not already have access
  - See instructions below for reimbursing the fund from which disaster expenditures were made (if other than fund 02460)

### VDEM Processes ATAs for Cash Transfers

- After the BEXs transferring appropriation are approved by DPB, VDEM will process:
  - A federal cash pass-through cash transfer in the federal fund (10000)
  - A non-general fund cash transfer in the disaster recovery fund (fund 02460)

### Instructions for reimbursing the original fund (if other than fund 02460) for disaster expenditures:

- If the reimbursement occurs in the succeeding fiscal year:
  - Debit the expenditure to the federal fund/disaster recovery fund, as applicable
  - Credit the revenue account – 4009084 – Refund of a prior year expenditure in the original fund
- If the reimbursement occurs in the same fiscal year that the expenditure was incurred:
  - Debit the expenditure to the federal fund/disaster recovery fund, as applicable
  - Credit the expenditure in the original fund