


Disasters-Recovery From A Financial Perspective



Lavelle J. Lemonier
Director, Finance & Administration
Port of Beaumont (Texas)



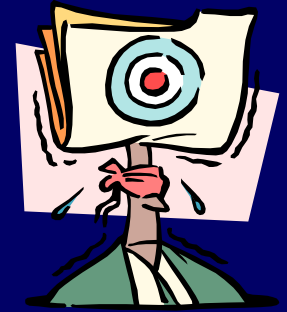
Expect the Unexpected!

- No entity wants to experience a natural disaster, however, preventative measures must be taken to properly respond events of this nature.
 - Policies and procedures must be clear and practical.
 - Avoid last minute decisions
- 

Documentation

- Why document?
- How to document?
 - Examples:
 - FEMA terms differ from working terms
 - “storm cleanup” is not acceptable when requesting reimbursement
 - “debris removal” is acceptable when requesting reimbursement





Why Documentation is Important?

- Accurate documentation will assist you to:
- Recover eligible costs
- Collect the information necessary to develop your disaster projects
- Prepare for audits or financial reviews
- **Remember-Undocumented eligible expenses will NOT be reimbursed!**

What's First?



- Begin tracking expenses related to disaster preparation.
 - Protecting cargo
 - Fence lines
 - Perimeter security
 - Building protection (windows, doors, etc.)
- Expenses incurred up to 72 hours prior to the evacuation will be considered eligible expenses if documented properly

What's Next?



- Cash availability!
- Many natural disasters can cripple financial institutions, therefore they can become inaccessible. Prepare for cash needs.
- Consider payroll alternatives



Internal Coordination is Very Important

- Designate a “point person” for all communication (possibly a maintenance director or similar position)
- The “point person” should communicate with the facility’s key personnel
 - Port Director
 - Finance Director
 - Police/Security
 - Deputy Director


Coordination (cont'd)



- “Point person” should make sure that all projects are invoiced correctly.
- Make sure that all projects are pre-approved.
- Avoid “crisis management” as much as possible. Many “irrational” decisions end up being ineligible expenses because of process failure.

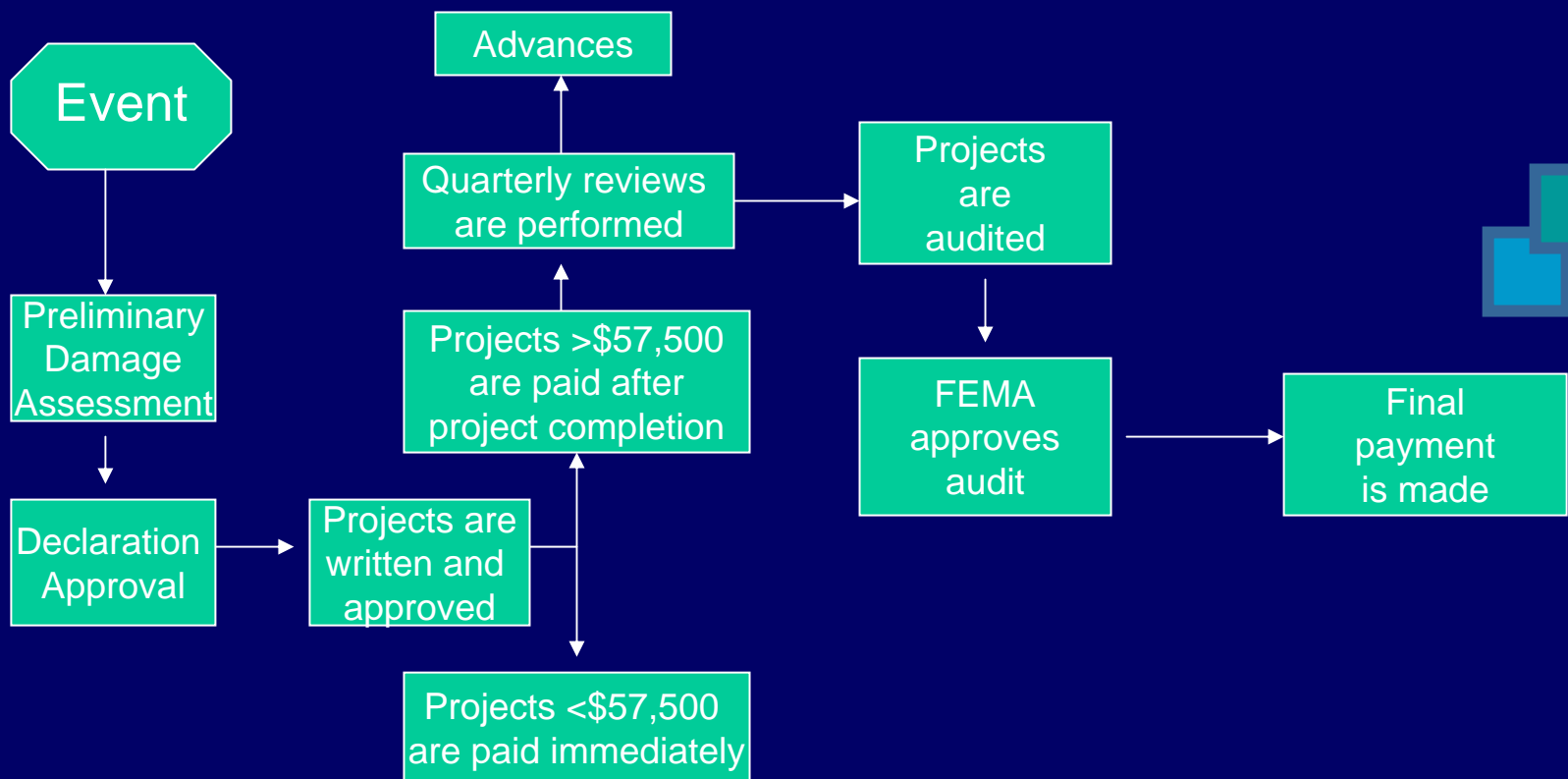


Checklist

- Initial meeting with FEMA & Insurance Rep.'s
 - Establish a file for each post-disaster project
 - Maintain accurate disbursement and accounting records
 - Establish a multi-level invoice approval process for projects
- 


The Public Assistance Process

(according to State of Texas Emergency Management Office)



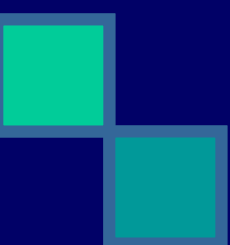



Contracts

- Copy of executed contracts
 - Bids are “normally” required by FEMA. If certain security sensitive information is involved, entities may request leniency on bid process and use existing or original contractors.
 - Otherwise, bids must be issued
 - Copies of advertisement soliciting bids will be needed
 - Copies of invoices and cancelled checks will be needed
- 




Other Items to Consider

- 
- Force Account Labor Forms (FEMA)
 - To document hours worked, overtime hours, rates of pay, fringe benefit calculations, etc.
 - Equipment usage logs, invoices, rental documentation, proof of equipment ownership, etc.
 - Materials purchased, invoices, preparation invoices, P.O.'s, inventory cost records
- 



Record Retention

- How long do I have to keep this stuff?
Under the “Single Audit Act”, applicants are required to retain documentation for three years from the date of last payment from the state (closure of grant)
- 



Additional Information

- FEMA's Website (www.fema.gov)
 - FEMA's Inspector General's website (www.fema.gov/ig)
 - Excluded Parties Listing Service (www.epls.gov)
- 

Hurricane Rita Damage



Hurricane Rita (cont'd)



Hurricane Rita (cont'd)

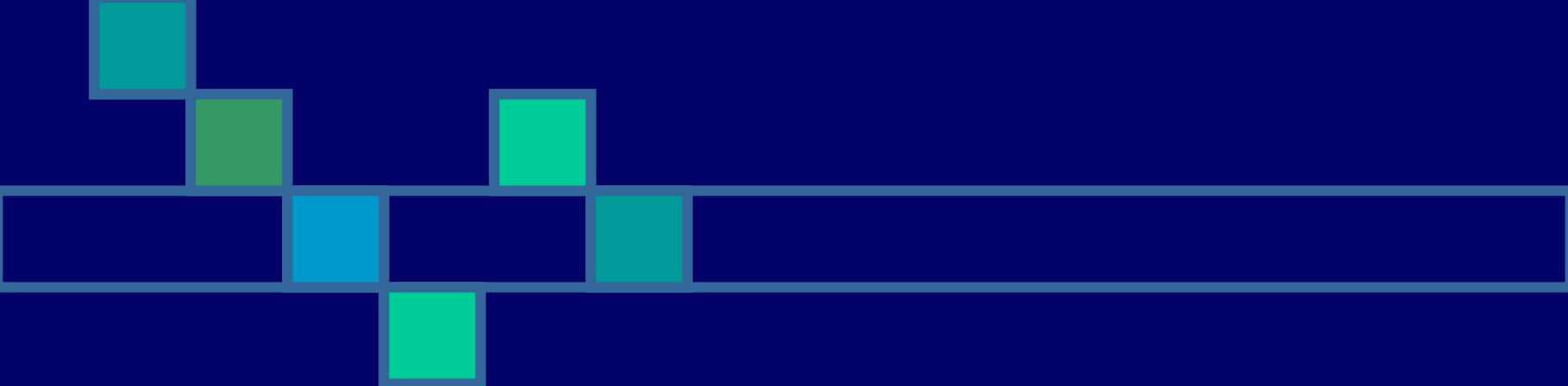


Hurricane Rita (cont'd)



Hurricane Rita (cont'd)





Questions??

