

## ***Exhibit D. Reimbursable Billings and Payments (2024 UPDATES)***

### **I. Suppression Billings**

The Forest Service (USFS), Bureau of Land Management (BLM), Bureau of Indian Affairs (BIA), National Park Service (NPS), and Fish and Wildlife Service (USFWS) will not bill each other for suppression costs. However, pre-suppression costs, fair sharing for interagency dispatch centers costs, prevention costs, and other fire management costs will be billed in accordance with existing agreements or other written documents.

Parties to this Agreement may opt to use a “Reconciliation Process” for tracking incident costs for all Parties to this Agreement for the purpose of issuing one annual billing to the paying Party. If the Reconciliation Process is not utilized, parties to the Agreement shall utilize the applicable Incident by Incident process.

The preferred method for suppression billing under this Agreement is the Reconciliation Process as outlined below with clarification and exceptions noted in *Section VII of the Alaska Statewide Operating Plan*.

#### **1. Reconciliation Process**

State and Federal agencies agree to consolidate billing and minimum balances. All costs of fires occurring in Alaska, regardless of jurisdictional boundary, will be compiled based on each agencies’ costs. Agency and cooperator costs are identified by fire number and code and tracked on an annual fire cost reconciliation spreadsheet and billed as a consolidated amount. This cost tracking method will reduce the number of payments and ensure that a fair division of suppression costs can be made between the federal agencies and the state in a timely fashion. Federal and State fire cost reconciliation spreadsheets (depending on funding laws) must align with a single fiscal year.

There is no minimum billing threshold for fires included in this process. This does not apply to out-of-state responses. The minimum threshold does not apply to costs for cooperating fire departments under a separate agreement with the state when working outside their jurisdictional boundary or requested by a resource order for extended attack.

The State will be responsible for managing the fire cost reconciliation spreadsheet which includes all agencies’ costs and cost share information. Actual costs are tracked by each agency for each incident. Agency actual costs are subject to audit procedures. The fire cost reconciliation spreadsheet is verified but may be disputed based on the cost share allocation, severability of costs and actual costs submitted for each fire. The fire cost reconciliation spreadsheet will result in a final settlement between all parties and one transfer of funds is required to reconcile the fire season, unless a request is submitted to complete reconciliation prior to the end of fire season, at which point a settlement will be done for expenses to the requested date.

### **A. Billing Time Frames for Reconciliation Process**

Agencies will submit invoices within 30 days of final reconciliation. Requests for extensions beyond 30 days for invoice submittal must be presented in writing to the reimbursing agency. The Alaska Statewide Operating Plan will include contact information for written requests for extensions.

## **2. Incident by Incident Process**

### **B. Federal Billings by Incident**

There are no billings between the Federal wildland fire agencies, pursuant to the [National Memorandum of Understanding for Wildland Fire Management \(PDF 2023\)](#). Federal Agencies will submit bills for their reimbursable costs to the State of Alaska whenever the Alaska Department of Natural Resources (Alaska DNR) is the fiscally responsible Agency, and a billing is appropriate.

### **C. State Billings by Incident**

When Alaska DNR is the supporting Agency, and the fire is within the State of Alaska, the State will bill the fiscally responsible Agency for reimbursable costs when a billing is appropriate. Anytime Alaska DNR responds to a Federal Agency fire outside of Alaska, the State will bill all applicable costs to the jurisdictional federal agency or agencies. Operating plans will include billing location information.

### **D. Billing Time Frames**

Agencies will submit invoices within 180 days of the demobilization of the incident. Extensions beyond 180 days for invoice submittal must be presented in writing to the reimbursing agency. It should be noted that some categories of expenses may often require subsequent billings outside of the 180-day period, such as: Outstanding Cost Shares, Claims, Aircraft expenses, and Fire cache costs.

The Alaska Statewide Operating plan includes contact information for written requests for extensions. Absent a written extension of time granted by the reimbursing agency, the final itemized bill should be submitted to the reimbursing agency within 180 days of the demobilization of the incident. After a final billing has been sent, and if additional costs are identified, a supplemental billing may be issued if agreeable to applicable parties.

Each Party to this agreement will strive to provide appropriate parties of an estimate of the amount of reimbursable bills they expect to submit within 90 calendar days in each reimbursable action.

## **3. Severity**

Costs incurred on severity assignments within the state of Alaska will be billed individually to the fiscally responsible Agency. Severity assignments are reimbursable under the Reciprocal Fire Protection Act.

## **4. Electronic Funds Transfer (EFT)**

Notwithstanding any other provision of law, effective January 2, 1999, US Treasury Regulation, Money and Finance at 31 CFR 208.3 requires that federal payments are to be made by EFT unless waived in accordance with specific circumstances set forth in 31 CFR 208.4.

In order to receive EFT payments, the payment recipient shall register in System for Award Management (SAM) and are required to validate their information in SAM once per year. The payment recipient is also required to have a Unique Entity Identifier (UEI) number. The UEI number is assigned by Dun & Bradstreet, Inc. (D&B) to identify unique business entities. For more information, refer to [www.sam.gov](http://www.sam.gov).

Each party to this agreement shall provide the following information in the Alaska Statewide Operating Plan.

- Agency name and billing address
- Financial Contact (name, phone, email)
- Agency UEI

## **5. Billing Content:**

The following items can be included for each bill, as per each agency's requirements. Note that a resource order is not always required or available for a bill to be valid.

- Agency name, address, phone number, and agency financial contact,
- Invoice or bill number
- Agreement number
- Incident name and number
- Dates of the incident covered by the billing,
- Location and jurisdictional unit
- Appropriate Fire code or charge code.
- Summary cost data for the amount being billed.

Summary data may include list of individual fires by fire number, final acreage, acres burned by fiscally responsible agency(s), initial response, detailed finance reports incident specific cost share agreements and/or total expenditures by agency to date. Generally, cost source documents will not be required unless summary cost data is disputed or unless specific agency regulations require cost source documents.

At times, supplemental information, summary data or additional billing documentation may be requested (such as list of aircraft, personnel, travel, and equipment expenses; and a listing by vendor name and amount spent for supplies and services procured) and provided if agreed upon by the Parties. The process for handling such requests should be documented in the Alaska Statewide Operating Plan.

## **6. Payment Due**

Whenever this Agreement provides for billing, the agency receiving the bill has an obligation to pay. Once bills are received by the reimbursing agency, payment will be made in accordance with that agency's payment processes outlined in the Alaska Statewide operating plan.

### **7. Services Received and Certification of Billings**

Reimbursing agencies must provide written notice of incorrect invoices to billing agencies. . Email communication is an acceptable method of communication.

### **8. Financial Dispute Resolution**

If a conflict arises between the agency's payment processes, the terms of the billing document, or the costs associated with the billing document, the parties should attempt to resolve the differences. If the differences cannot be resolved after consultation between the Parties, the Parties follow their agency's resolution process.

### **9. Review Procedures**

The parties agree to jointly conduct a review of a sampling of transactions of the incidents managed under this agreement. Findings that are inconsistent with the normal or accepted way of doing business will be reconciled on a case-by-case basis. Any decision to further examine records will be considered on a case-by-case basis and appropriate follow up action agreed upon by all agencies involved.

## **II. Payment for Protection Services:**

Geographic, Statewide or Sub-Geographic (local) operating plans and procurement documents or agreement will establish billing procedures for Fee Basis Protection Services.

## **III. Non-Suppression Billings:**

All non-suppression costs shall be billed and paid in accordance with the terms and conditions of the Supplemental Project Agreement, separate agreement, procurement, or other appropriate written document, executed by the authorized signatories of the involved parties within their legal authorities.

## **IV. Accounting Records.**

Cooperators must maintain records incident by incident which adequately identify the source made use of funds. These records must contain information pertaining to expense related to each incident, unobligated balances, liabilities outlays or expenditures, and income. Such documents must be made available to the Federal Agency upon request.

## **V. Internal Control.**

Effective control and accountability must be maintained for all Federal funds, real and personal property, and other assets. Cooperators must keep effective internal controls to ensure that all Federal funds received are separately and properly allocated to each incident and used solely for authorized purposes.

## VI. Reimbursable Costs

Documented costs incurred as the result of an incident are reimbursable. All costs must be reasonable, allowable, and allocable. Costs must be consistently treated as either direct costs or indirect costs.

Consistent treatment of costs is a basic cost accounting principle and is specifically required to assure that the same types of costs are not charged as both direct costs and indirect costs. Every effort should be made to classify costs incurred for the same purpose, in like circumstances, consistently as either direct or indirect.

### 10. Direct Costs

Direct costs are those items of expense specifically identified with the delivery or completion of a project or program. General examples include, but are not limited to, personnel costs (salary and fringe benefits), equipment costs, travel, materials, supplies, and contracts.

For the purposes of this agreement, these may include, but are not limited to the following:

- Actual costs directly incurred for “move-up and cover” or “backfill” resources.
- Agency costs of individuals assigned to the incident or project for salary, benefits, and overtime including premium pay if and when it is earned according to the policies, laws and rules governing the employees of the supporting agency.
- Agency costs for transportation including, but not limited to, airline fees, vehicle rental fees, fuel and oil, and agency established mileage fees.
- Agency costs for per diem and lodging of resources assigned to the incident when such services are not supplied by the incident.
- Additional support dispatching, warehousing or transportation services supporting a resource order or project.
- Operating expenses for equipment assigned to the incident, such as fuel, oil and equipment repairs.
- Cost of reasonable and prudent supplies expended in support of the incident or project.
- Usage cost of equipment in support of the incident or project, contract equipment costs and operating costs for agency equipment.
- Aircraft, airport fees, retardant and other fire chemical costs.
- Agency-owned equipment lost, or damaged, by the supporting agency when accompanied by the appropriate agency source documentation to include insurance deductible paid.
- Charges from the state for state-controlled resources such as inmate crews, National Guard resources and county and local resources.
- Agency-owned equipment and supplies lost, damaged, or expended by the supporting agency.
- Cost or replacement of reasonable and prudent supplies expended in support of the incident. What is reasonable and prudent is determined by the protecting and/or jurisdictional agency, the Incident Management Team within the limits of their delegated authority, or identified in the current NWCG Standards for Interagency

Incident Business Management and State of Alaska Incident Business Management Handbook.

### **11. Indirect costs**

Indirect costs are those items of expense incurred as part of general management and administrative support of an organization. These costs are not attributable to a specific project, program or output, but are distributed among many benefiting activities. Often, they are proposed as a percentage of direct project costs and are referred to as administrative costs, overhead, or burden. Examples may include office space, computer equipment, postage, utilities, salaries for administrative activities such as procurement, personnel, accounting, and so forth.

Indirect cost rate rates may vary for each agency. Application of indirect cost rates will be addressed within the Alaska Statewide Operating Plan (Exhibit C.).

When indirect cost rates are applied to federal reimbursements, the Parties agree to the following.

1. If the payment recipient has never received or does not currently have a negotiated indirect cost rate, they are eligible for a de minimis indirect cost rate up to 10% of Modified Total Direct Costs (MTDC). MTDC is defined as all salaries and wages, fringe benefits, materials and supplies, services, travel, and contracts up to the first \$25,000 of each contract.
2. For rates greater than 10%, the payment recipient shall provide either an applicable negotiated indirect cost rate agreement (NICRA) from the cognizant Federal agency, or an indirect cost rate summary in a format that clearly defines the indirect cost rate and allocation base.
3. The payment recipient must maintain adequate documentation to support the methodology and computation of the indirect cost rate. Documentation must be made available to the Federal agency upon request.
4. Failure to provide adequate documentation supporting the indirect cost rate could result in disallowed costs and repayment to the Federal agency.

## **VII. Source Documentation.**

Accounting records for each incident must be supported by agency specific documentation such as cancelled checks, paid bills, time and attendance records, contract or sub-award documents, etc. Such documents must be made available to the Federal agency upon request.