

Section III. Reimbursement

All parties to an EMAC mission have responsibilities for the reimbursement process. These parties include Requesting States, Assisting States, Resource Providers (state agencies, units of local government and other entities deployed by an Assisting State as legal agents of the state) and personnel deployed by a Resource Provider. While the reimbursement process starts when deployed personnel return home and ends when a Requesting State reimburses the Assisting State, there are responsibilities during the mission such as the maintenance of documentation. Each party to the reimbursement process is dependent upon the prior party's completing its responsibilities promptly and effectively in order to complete its own role in the reimbursement process.

Guidelines for reimbursement follow the EMAC Articles of Agreement as well as Member State and Resource Provider procedures. This section guidance on reimbursement describes the types of costs that are eligible and ineligible for reimbursement. It also details specific forms to be used and the types of documentation to be submitted with a claim for reimbursement as well as the suggested timelines for each step of the reimbursement process.

A properly executed Request for Assistance (REQ-A) authorizes the EMAC mission and constitutes a contract between two states. Upon accepting resources offered by another EMAC Member State, the Requesting State is financially obligated to reimburse the Assisting States for expenses incurred in performance of the EMAC mission. Self-dispatched resources that deploy without state authorization are not recognized under the Compact and are not eligible for reimbursement.

Reimbursement under the Compact is not dependent upon receipt of Disaster Relief Funds that are available through the Federal Emergency Management Agency (FEMA) after the president declares a major disaster or emergency. The Requesting State may seek funds from FEMA or any other sources, but its obligations under EMAC law to pay for services rendered are not contingent upon receipt of said funds.

A. Member State Reimbursement Responsibilities:

1. EMAC Article II states that Member States should consider all available state, local, volunteer and privately owned resources when responding to an EMAC request.
Note: It is legally advisable for each state to ascertain its statutory authority for utilizing local government, private and volunteer resources for EMAC purposes prior to deployment.
2. EMAC Article III assigns each Member State the duty to formulate internal procedural plans and programs and to stand prepared to request interstate mutual aid or provide aid to other Member States. Each Member State must develop an internal process for receiving and sending assistance, including the timely preparation and review of claims for reimbursement or the donation of services.
3. Article IX of the Compact provides that any state "rendering aid in another state pursuant to this compact shall be reimbursed by the party state receiving such aid for any loss or damage to or expense incurred in the operation of any equipment and the provision of any service in answering a request for aid and for the costs incurred in connection with such requests; provided, that any aiding party state may assume

in whole or in part such loss, damage, expense, or other cost, or may loan such equipment or donate such services to the receiving party state without charge or cost; and provided further, that any two or more party states may enter into supplementary agreements establishing a different allocation or costs among those states. Article VIII expenses shall not be reimbursable under this article.”

B. Reimbursement Implementation:

Each Member State is sovereign, and as such, the in-state travel policies and required documents to process reimbursement under the Compact will vary from state to state. EMAC Member States have passed EMAC as law and have agreed to follow the reimbursement guidelines approved by the EMAC Committee for this purpose.

Regardless of the differences from state to state, the accurate collection, preparation and submission of documentation and the coordination of the reimbursement process by a Member State will expedite the payment of claims for reimbursement.

Member States have agreed to use the EMAC REQ-A Form (REQ-A) for the implementation of EMAC. Once the REQ-A is duly executed by the EMAC Authorized Representatives of both Party States, the REQ-A constitutes a legally binding contract.

Considerations:

1. In accordance with Article III (A)(6) of the EMAC Articles of Agreement, and in the spirit of mutual aid, Resource Providers and Assisting States may determine to waive reimbursement for some or all of the costs related to the mission.
 - a. Partial waiver of reimbursement: The Assisting State should send a letter within 45 days upon completion of the mission indicating the intention of the Assisting State to exercise a partial waiver of the reimbursement. The amount to be waived should be clearly stated and included in the cover letter attached to the Assisting State’s reimbursement package and forwarded to the Requesting State for action.
 - b. Full waiver of reimbursement: The Assisting State should send a letter within 45 days upon completion of the mission indicating the intention of the Assisting State to exercise a full waiver of the reimbursement.
2. Each Member State should train emergency management staff and other organizations that may deploy resources in support of an EMAC mission. This training should explain the EMAC mission process, including how the reimbursement process works and what documentation will be needed to support a reimbursement claim.
3. The REQ-A is used to convey estimated reimbursable costs and costs for which an Assisting State will not seek reimbursement.
4. EMAC missions are valid only if they have been approved by the Requesting State and Assisting State through the REQ-A process or by verbal agreement that is followed up by the REQ-A paperwork within 30 days of the verbal request.
5. Differences in estimated costs and other conditions that warrant an amendment to the REQ-A must be communicated and agreed upon between Party States within a reasonable timeframe of the mission. Cost estimates in the REQ-A do not determine the final cost obligation of the Requesting State as referenced in Article IX of the Compact. The difference between the estimated and actual costs may necessitate an amendment to the REQ-A.
 - a. The basis of an amendment should be costs that are documented, justifiable and reasonable within the scope of the mission as described on the REQ-A.

- b. States may complete amendments to the REQ-A to update cost estimates or other conditions that are documentable, justifiable and reasonable. The Requesting or Assisting State may initiate an amendment to a REQ-A, and both Section II and Section III must be properly executed by Authorized Representatives of the Party States.
 - c. Suggested guidelines for amending a REQ-A include
 - Changes in lodging or food provisions
 - Changes in tour-of-duty dates
 - Necessary equipment repair or replacement
 - Returning equipment to pre-deployment conditions
 - Errors in calculating personnel or fringe benefit costs
6. Deviations in cost projections or changes in the mission will require an amendment to the REQ-A, which must then be signed by both Party States' EMAC Authorized Representatives.
7. Deviations to approved activities or estimated costs between a properly executed REQ-A and a reimbursement package must be supported by a good and reasonable justification. If expenses are incurred for actions not directly related to the mission, expenses will not be reimbursed.
8. Any expenses claimed must be directly related to the performance of an official EMAC mission and must be supported by a REQ-A duly executed by the EMAC Authorized Representatives of both Party States.
9. Claims for reimbursement document the expenses incurred during a deployment under the Compact. Claims are based upon the cost estimates provided in the EMAC REQ-A. Cost estimates may not reflect actual mission costs. Actual costs are determined by expenses incurred by the Resource Provider to perform the mission as described in the REQ-A and substantiated by documentation of costs.
10. When an Assisting State prepares a reimbursement request package, it must be sure to provide details on expenses incurred in performing duties related to the EMAC mission and supply backup documentation to support the expenditures as described in the REQ-A scope of services.
11. Before submitting an EMAC reimbursement package to a Requesting State, an Assisting State must thoroughly audit the package for completeness and to ensure that the expenses and supporting documentation being claimed are consistent with the cost categories and estimates provided in the REQ-A.
12. The standard EMAC reimbursement timeline outlines 45 days for each review cycle after each claim is received for the Resource Provider, the Assisting State and the Requesting State. Deployed personnel must submit their travel voucher as soon as possible after returning to their home state. Timely processing of required documentation and reimbursement of all parties involved are critical to success of interstate mutual aid, state cash management and the willingness of Member States to deploy resources in the future.
13. Except in extenuating circumstances or where prohibited by state law or regulation, an Assisting State must audit and pay claims submitted by Resource Providers before submitting its claim to the Requesting State.
14. A Requesting State should be reasonable when reviewing claims from an Assisting State. If the Assisting State has already audited and reimbursed the providing entity, that Assisting State could be faced with unanticipated fiscal issues if not reimbursed completely for expenses in a timely manner.
15. Discussions between the Assisting State and the Requesting State, as well as the development of Requesting and Assisting State procedures for the reimbursement of EMAC claims, will help to resolve discrepancies and provide any special instructions needed. If needed, the states should engage the EMAC Authorized Representatives of the Party States to resolve any discrepancies.

16. Member States should consider the inclusion of an appeals process in their audit process so Resource Providers, Assisting States, and Requesting States may work together to resolve issues and problems.

C. Eligible Reimbursable Costs

EMAC was intended to provide reimbursement for actual costs incurred during the execution of valid EMAC missions. All expenses incurred as described in the REQ-A (and amended REQ-A, if applicable) are eligible for reimbursement. Costs aggregated in the REQ-A are estimated costs until such time that the Resource Provider and Assisting State compile the reimbursement package and reconcile expenses.

Reimbursable expenses begin to be incurred when deployed personnel and/or assets initiate travel to the Requesting State and end when the personnel and assets return to their home states. In addition, certain expenses incurred for pre- and post-deployment activities can be eligible for reimbursement if the activities, timelines, and cost estimates are documented in Section II of the REQ-A and approved by the Authorized Representative of the Requesting State.

Note: Credit card statements are not considered a valid document for the purposes of reimbursement.

Cost categories and examples of eligible expenses under each cost category are as follows:

1. Personnel

Eligible Costs: Regular time salary, overtime salary and fringe benefits calculated at the regular rate utilized by the Resource Provider. (Backfill costs are normally not eligible but may be negotiated between the Requesting and Assisting States and, if authorized, must be documented on the REQ-A and agreed upon by the Authorized Representatives of the Party States.)

Documentation: Daily work records/work logs, time and attendance records, payroll registers.

2. Travel

Air Travel

Eligible Costs: Airfare (unless direct billed to the Requesting State) and baggage fees.

Documentation: Receipt from airline or travel agent indicating name of traveler, dates of travel and total cost of ticket; receipt from airline indicating name of traveler, dates and cost of any baggage fees assessed; and boarding passes.

Ground Transportation

Eligible Costs: Cost of rental vehicles and fuel; cost of taxis and shuttles; parking fees; highway and bridge toll fees; cost of fuel for government-owned vehicles; personally owned vehicle mileage utilizing federal GSA rates found at www.gsa.gov.

Documentation: Rental vehicle contract indicating name of renter, rental dates and fuel receipts; taxi and shuttle fare receipts; parking receipts; highway and bridge toll

receipts; map showing vehicle route and daily vehicle usage logs indicating miles travelled.

3. Lodging

Eligible Costs: Per-diem lodging rates utilizing federal GSA rates found at www.gsa.gov or actual costs for lodging, except where costs were direct billed to the Requesting State, directly provided to deployed personnel (e.g., base camp or congregate care facility) or where lodging was non-existent and primitive conditions were present (e.g., personal tents). The lodging type should be documented on the REQ-A.

Documentation: Original receipts for lodging showing a "zero" balance.

4. Meals

Eligible Costs: Per-diem meal rates utilizing federal GSA rates found at www.gsa.gov or actual costs for food, except where costs were direct billed to the Requesting State, meals were directly provided to deployed personnel (e.g., base camp or congregate care facility), or there was another food service provider (e.g., American Red Cross, Salvation Army, VOAD). Meal provisions should be documented on the REQ-A.

Documentation: All meal costs will be calculated according to the policies of the Assisting State and/or the Resource Provider. Some states and Resource Providers utilize the federal GSA meal rates, while others reimburse a pre-determined amount or actual meal costs supported by receipts. Regardless of the methodology used, the Assisting State and/or Resource Provider policy documentation should accompany the reimbursement package.

5. Equipment

Eligible Costs: Maintenance and operating costs (rates) for vehicles and machinery required to perform the mission.

Documentation: Copies of log sheets that indicate the dates and hours that the equipment was in use, and documentation substantiating maintenance and repair costs and gas, oil or other fluid consumption.

6. Commodities

Eligible Costs: Consumables and other supplies and materials that are necessary to perform the mission as described in the REQ-A.

Documentation: Receipts for purchases and records substantiating the need for these purchases. Examples: office supplies, such as notebooks, staplers, paperclips, and pens; other consumable items generally needed to perform the mission.

7. Other

Eligible Costs:

- a. Reasonable costs to repair or replace equipment damaged *during deployment* while performing the EMAC mission described in the REQ-A. These costs should take into consideration the depreciated value of the equipment and any insurance coverage available for the damage or loss.
- b. Costs relating to the decontamination of equipment and cleaning of personal protective equipment used in performing the mission as described in the REQ-A.
- c. Costs of purchasing and transporting supplies by the Assisting State as requested by the Requesting State (and approved in the REQ-A).
- d. Reasonable costs for maintenance and repair of equipment to restore it to pre-deployment condition.
- e. Replacement costs: All damaged, destroyed, totaled, contaminated or otherwise unusable items that were used on an official, fully executed EMAC mission (uniform, turn-out gear, etc.) should be considered as replacement and should be documented as such. Further, these items should be reported as damaged as soon as known to be so such that proper record keeping can take place.

Documentation: Pictures of damaged equipment, copy of insurance coverage, receipt for required repairs or decontamination and a narrative statement justifying the action for which the expenses was incurred.

If submitting maintenance costs, sending copies of maintenance records for months prior to the deployment will substantiate the rates.

D. Ineligible Reimbursable Costs

EMAC was intended to provide reimbursement of actual costs incurred during the execution of valid EMAC missions. All expenses incurred as described in the REQ-A (and amended REQ-A, if applicable) are eligible for reimbursement. Any costs not agreed to in the REQ-A or in a REQ-A amendment are not eligible for reimbursement.

Such ineligible costs typically include the following:

1. Administrative costs associated with pre-deployment and post-deployment functions or other costs incurred by Assisting States in responding to EMAC requests, unless otherwise mutually agreed upon by each party state and stipulated in the REQ-A.
2. Costs for alcohol, tobacco, toiletries, and similar items.
3. Costs incurred by an entity who self-deployed without a valid REQ-A or with prior verbal consent of both the Assisting State and Requesting State EMAC Authorized Representatives but which were not followed up within 30 days by a written REQ-A.
4. Costs for items not specified in the REQ-A unless otherwise deemed justifiable by the Requesting State at a later date and supported by an amendment to the REQ-A or

submission of valid supporting documentation in the reimbursement package that is accepted by the Requesting State EMAC Authorized Representative.

E. The EMAC Reimbursement Process

The standard EMAC reimbursement process is initiated when deployed personnel submit documentation for travel and other expenses to the Resource Provider for payment, and the process ends when the Requesting State reimburses the Assisting State.

Each party to an EMAC mission must ensure that documentation relating to an EMAC claim for reimbursement is complete and fully supports the expenses incurred. Issues with insufficient documentation must be resolved between parties in a timely fashion. Specific responsibilities and documentation requirements in the four-step reimbursement process for each party are as follows:

1. Deployed Personnel

Deployed personnel are responsible for preparing and submitting to their Resource Providers a travel voucher with approved daily time and attendance records, additional documents that may be required by the Resource Provider and other supporting documentation outlined above under Section C, Eligible Reimbursable Costs, of this reimbursement guidelines document.

Deployed personnel also assist the Resource Provider in preparing documentation for other expenses incurred during the deployment, including daily equipment use, claims for damaged items (machinery and personal protective equipment), maintenance or restoration of equipment to pre-deployment condition, contractual services and any other expense authorized in the REQ-A.

2. Resource Provider

The Resource Provider is responsible for auditing travel vouchers, reimbursing deployed personnel for travel expenses and paying other eligible expenses incurred in connection with the EMAC mission deployment.

All expenses incurred and paid by the Resource Provider are compiled and summarized by category of expense on an EMAC Intrastate Reimbursement Form (R-2).

A single EMAC Form R-2 is used for each EMAC mission performed by personnel of the Resource Provider and for which a single REQ-A was executed.

The Resource Provider's reimbursement package consists of the following documents:

- A. A completed Form R-2 with copies of supporting documentation attached, such as
 - a. A copy of the fully executed REQ-A
 - b. Copies of timesheets
 - c. Work records
 - d. Payroll vouchers/documents
 - e. Travel expense reports/vouchers
 - f. Travel policies and procedures
 - g. Warrants/checks demonstrating proof of payment
 - h. Receipts or invoices for purchased goods

- i. Similar documents evidencing eligible costs incurred as outlined in the REQ-A
 - j. Other documentation as outlined under Section C, Eligible Reimbursable Costs, of this reimbursement guidelines document
- B. Cover letter on Resource Provider letterhead, officially transmitting the reimbursement package to the Assisting State and advising of any special instructions or other requirements the Resource Provider may have. (*Note:* If a single Resource Provider had multiple deployments for the event, the completed reimbursement package may consist of multiple Form R-2s (one mission per REQ-A per each Form R-2) with supporting documentation for the EMAC mission and a cover letter.)
- C. The Resource Provider should not submit incomplete claims to the Assisting State. Mission documentation must be complete before the claim is submitted. Any problems or issues with documentation should be discussed with the Assisting State and resolved prior to submission.

3. Assisting State

The Assisting State is responsible for auditing claims submitted by Resource Providers whose forces were deployed on EMAC missions and for reimbursing the Resource Providers for eligible expenses incurred.

The Resource Provider may be paid by the Assisting State following an audit and determination of eligible expenses or, depending on specific state law and regulations, after the Assisting State has first received funds from the Requesting State.

Once Resource Provider claims have been audited (and paid, if allowable), the Assisting State prepares its claim. The expenses relating to paid reimbursement claims of Resource Providers are summarized by category of expense on an EMAC Interstate Reimbursement Form (R-1).

Single reimbursement packages should be developed for each REQ-A.

Example 1: If one agency in a state completed the mission on a single REQ-A, the reimbursement package will consist of one EMAC Form R2 and one EMAC Form R1.

Example 2: Should multiple agencies comprise the mission of a single REQ-A, the reimbursement package would consist of multiple R-2 forms and a single R-1 form.

The Assisting State Reimbursement Package consists of the following:

- a. A completed EMAC Form R-1
- b. A completed EMAC Form R-2 (or multiple EMAC Form R-2(s) should multiple agencies comprise a single REQ-A mission) and supporting documentation
- c. Copies of state warrants or checks demonstrating proof of payment
- d. A cover letter on Assisting State letterhead, officially transmitting the reimbursement package to the Requesting State. The cover letter may describe special instructions for remitting payment to the Assisting State, special cost coding that may be requested, IRS or employee tax ID number of the Assisting State Resource Provider, the name and contact information of the individual in

the Assisting State who is responsible for compiling the reimbursement package, and any other information relevant to the payment of the claim.

4. Requesting State

The Requesting State is responsible for auditing Assisting State claims and for issuing reimbursement payments to the Assisting States in a timely manner.

F. Reimbursement Process Timeline

This section presents recommended reimbursement process timelines for deployed personnel, Resource Providers, Assisting States and Requesting States. It includes a standard timeline when all parties have sufficient funding immediately available to pay reimbursement claims and a timeline when all parties do not have sufficient funding immediately available to pay reimbursement claims. Also included are guidelines on actions to be taken by Requesting and Assisting States in large-sized and catastrophic events, where conditions may impact the timely processing and payment of reimbursement claims.

1. Standard Timeline (funds immediately available at all levels/for all parties)

The standard timeline applies to small- and moderate-sized events where immediate funds are available to Resource Providers, Assisting States and the Requesting State to process and pay claims for reimbursement.

a. *Deployed Personnel*

In accordance with local rules and policies, deployed personnel should, immediately upon returning home from the EMAC mission, prepare and submit their travel vouchers to the Resource Provider, as detailed under Section E, The EMAC Reimbursement Process, of this reimbursement guidelines document.

b. *Resource Provider*

Upon the receipt of travel vouchers from the deployed personnel, the Resource Provider completes its responsibilities, pays the claim as detailed under Section E, The EMAC Reimbursement Process, of this reimbursement guidelines document and submits the audited reimbursement package to the Assisting State no later than 45 days after the return of the Resource Provider's forces from the EMAC mission deployment.

c. *Assisting State*

Upon receipt of the reimbursement package from the Resource Provider, the Assisting State completes its responsibilities, pays the claim as detailed under Section E, The EMAC Reimbursement Process, of this reimbursement guidelines document and submits the audited reimbursement package to the Requesting State no later than 45 days after the receipt of the Resource Provider claims.

Notes:

- Depending on state law and regulations, the Assisting State may issue payment to the Resource Provider at this time or payment may be delayed until reimbursement is received from the Requesting State.
- Assisting States that are aware of conditions within their state that will render them unable to comply with the timeline guidelines herein should include a statement to that effect and provide a projected timeline for submission of the reimbursement package to the Requesting State within the REQ-A. The notification of the projected timeline within the REQ-A and the agreement on the projected timeline between the party states will serve to establish a revised timeline for a Requesting State to receive a reimbursement package.

d. *Requesting State*

Upon receipt of the reimbursement package from the Assisting State, the Requesting State completes its responsibilities, as detailed under Section E, The EMAC Reimbursement Process, of this reimbursement guidelines document and issues payment no later than 45 days after the receipt of the Assisting State's claim.

e. *Assisting State*

If, due to state law or regulation, payment to the Resource Provider was not made within 45 days of receipt of the Resource Provider's claim, the Assisting State, upon receipt of payment from the Requesting State, issues payment to the Resource Provider within 45 days of receipt of the Assisting State's reimbursement claim.

2. Timeline (funds not immediately available to Requesting or Assisting States)

This timeline applies to events where adequate funds are not immediately available to a Requesting or Assisting State. This may be due to the large monetary value of the claims received, statutory requirements precluding direct payment to Resource Providers, lack of "cash on hand" and the need for the legislature to appropriate disaster dollars, or an overall lack of sufficient funds.

When any or all of these conditions exist, it should be communicated to all concerned parties during the REQ-A process. This will ensure that all parties (deployed personnel, the Resource Provider and Authorized Representatives of the Assisting and Requesting States) are cognizant of the implications of providing and receiving assistance under the conditions presented.

a. *Deployed Personnel*

In accordance with local rules and policies, deployed personnel should, immediately upon returning home from the EMAC mission, prepare and submit their travel vouchers to the Resource Provider, as detailed under Section E, The EMAC Reimbursement Process, of this reimbursement guidelines document.

b. *Resource Provider*

Upon the receipt of travel vouchers from the deployed personnel, the Resource Provider completes its responsibilities, as detailed under Section E, The EMAC Reimbursement Process, of this reimbursement guidelines document and submits the audited reimbursement package to the Assisting State no later than 45 days after reimbursing the claims for the EMAC mission.

c. *Assisting State*

Upon receipt of the reimbursement package from the Resource Provider, the Assisting State completes its responsibilities as detailed under Section E, The EMAC Reimbursement Process, of this reimbursement guidelines document and submits the audited reimbursement package to the Requesting State no later than 45 days after the receipt of the Resource Provider's claims.

The cover letter on the Assisting State's claim should indicate that the Assisting State has audited and certified the Resource Provider's claim but is unable to issue payment to the Resource Provider until funds are received from the Requesting State.

d. Requesting State

Upon receipt of the reimbursement package from the Assisting State, the Requesting State completes its responsibilities, as detailed under Section E, The EMAC Reimbursement Process, of this reimbursement guidelines document and advises the Assisting State in writing of the anticipated timeframe in which payment will be issued.

e. Assisting State

Upon receipt of payment from the Requesting State, the Assisting State issues payment to the Resource Provider within 45 days of payment receipt.

3. Special Circumstance or Catastrophic Events

When EMAC is used in connection with special circumstances or catastrophic events, both the Assisting State and the Requesting State may be unable to issue payment for Resource Provider claims in a timely manner. This may be due to the large monetary value of the claims received, statutory requirements precluding direct payment to Resource Providers, a general lack of funds or other cash flow difficulties resulting from the event.

When events of this nature occur, the Requesting State should issue specific guidance on the reimbursement of claims during the REQ-A process, advising Assisting States of estimated timelines and providing other specific guidance for the event to ensure that the Resource Provider and Authorized Representatives of Party States are cognizant of the implications of providing and receiving assistance under these conditions.

Once the Requesting State's methodology is known, the Assisting State should develop and transmit Assisting State specific guidance to Resource Providers and be prepared to update Resource Providers on the status of their claims for reimbursement.