



# CIRCULAR

## STATE OF NEW JERSEY

### DEPARTMENT OF THE TREASURY

|   |   |                        |
|---|---|------------------------|
| NO.: 15-06-0MB  | ORIGINATING AGENCY :<br>OFFICE OF MANAGEMENT AND BUDGET | PAGE 1 OF 2            |
| EFFECTIVE<br>DATE: 10-23-14   | EXPIRATION<br>DATE: INDEFINITE                          | SUPERSEDES : 14-02-OMB |
| SUBJECT: GUIDELINES FOR TRACKING DISASTER/EMERGENCY EXPENSES                    |   |                        |
| ATTENTION : DIRECTORS OF ADMINISTRATION , FISCAL OFFICERS, AND PAYROLL OFFICERS |   |                        |
| FOR INFORMATION CONTACT: WILLIAM MAUGHAN  |   | PHONE: (609) 292-5004  |

#### I. PURPOSE

This Circular establishes the statewide policy for tracking and quantifying all expenses directly attributable to disasters and emergency events declared by Governor's Executive Order or the federal government. This updated Circular includes Exhibit A which lists the Statewide Activity Codes for Declared Disasters/Emergency Events.

#### II. BACKGROUND

In recent years, the frequency of federally declared disasters and emergency events has increased. In addition, the federal and State requirements associated with obtaining federal funding for the response, recovery, and restoration costs associated with such emergencies has increased. For all such disasters, the State alone is the grantee for any potential federal funding. Local governments and private entities eligible for federal funding are sub-grantees of the State. As the grantee, it is the State's responsibility to adhere to all requirements associated with the receipt of such funds. Thus, the State of New Jersey is compelled to abide by all such regulations to ensure any such federal recoveries are valid and will not be subject to subsequent remittance back to the federal government.

This Circular serves to improve the access and quality of cost data associated with such disasters. Thus enabling the State of New Jersey to better manage the use of such data with regard to federal recoveries as well as the allocation of available State resources.

#### III. POLICY

It is the State's policy to properly segregate costs incurred as a direct result of federally declared disasters and emergency events from other programmatic or routine operating costs. This will enable better tracking of these costs for potential federal recoveries. Furthermore, it will ensure more timely and accurate reporting of such costs in accordance with applicable open public records, financial disclosure, and federal reporting requirements.

1. Agencies must maintain detailed supporting documentation relating to any disaster claims or charges incurred by the State in accordance with applicable federal program regulations.
2. Agencies must institute a process/procedure and maintain a system to track all disaster claims or charges and the corresponding State accounts billed/used for payment prior to receiving federal reimbursement.
3. Agencies must make timely requests for reimbursement and provide required supporting documentation for those reimbursements and for any expenditure where the agency received the federal funding as an advance.

4. Agencies must process reimbursing documents in NJCFS immediately to the State accounts that were initially billed for these expenditures:
  - Upon receipt of approved federal transfer of appropriation relating to FEMA; or
  - Upon receipt of an approved, non-FEMA federal grant for costs incurred prior to the grant's approval.

#### IV. PROCEDURES

##### A. Non Salary Expenses

1. For each disaster/emergency event, OMB will assign, in advance, a specific statewide four character activity code to be used by all agencies on all applicable MACS-E procurement and NJCFS expenditure transactions (Exhibit A). The Chief Financial Officer of each agency will be informed of this code for the next declared disaster via email.
2. Each agency's Chief Financial Officer will be informed via email communication when the actual use of this code is initiated. In addition, all procurement/fiscal personnel will be informed of the same via the online MACSE/NJCFS message screen. The Chief Fiscal Officer is responsible for notifying all programmatic staff of the assigned code and directing them to use the disaster activity code for all related costs. This will assist the accounting staff with the coding of orders and payments.
3. In the event this activity code's usage begins after the establishment of purchase orders associated with such expenses, the agency is required to amend such encumbrances with the proper activity code as soon as reasonably possible via change or cancellation/re-establishment.
4. If the adoption of the four character statewide activity code does not provide for the further breakdown of costs required for agency reporting in support of federal reporting or otherwise, the agency may request that the OMB Accounting Bureau reserve up to two positions of the designated code for internal agency use. Evidence that the use of the four character code exactly as stipulated presents an insurmountable hardship to the agency must be provided to the OMB Accounting Bureau Manager as justification for this request.
5. See Exhibit A for an updated listing of all statewide activity codes.

##### B. Salary Expenses

1. Each Department must update its time and leave reporting system to incorporate a unique code to be used for tracking direct labor costs associated with the disaster/emergency event. Federal cost principles require that salary charges to federal awards must be based on records that accurately reflect the actual work hours performed, and support the distribution of the employee's salary among specific activities or cost objectives.
2. This code must be used for applicable regular work hours and overtime hours.
3. This code must be filed with OMB/Accounting Bureau/Grants Analysis Unit.



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Charlene M. Holzbaur, Director

**STATEWIDE ACTIVITY CODE FOR ISSUED DISASTERS / EMERGENCY EVENTS  
PER CIRCULAR LETTER 15-06**

| <b>ACTIVITY CODE</b> | <b>DISASTER DECLARATIONS</b>  | <b>TYPE OF DISASTER</b>                                 | <b>Declared Date</b> |
|----------------------|---|---|----------------------|
| 0100                 | GOVERNOR CHRISTIE - 172   | WINTER SNOWSTORM  | 1/26/2015            |
| 0200                 | GOVERNOR CHRISTIE - 175   | WINTER SNOWSTORM  | 3/4/2015             |
| 1503                 | PRESIDENT OBAMA - FEMA DR-4231  | MACROBURST THUNDERSTORM &<br>HIGH WINDS 6/23/15         | 7/22/2015            |
| 1604                 | GOVERNOR CHRISTIE - 186   | HURRICANE JOAQUIN 10/4/15                               | 10/1/2015            |
| 1605                 | GOVERNOR CHRISTIE - 202<br>FEMA DR-4264   | WINTER SNOWSTORM 1/22/16                                | 1/22/2016            |
| 1706                 | GOVERNOR CHRISTIE - 221   | WINTER SNOWSTORM 3/13/17                                | 3/13/2017            |
| 1801                 | PRESIDENT TRUMP -<br>TEXAS FEMA DR-4332   | NJ ASSISTING OUTSIDE STATES<br>HURRICANE HARVEY 8/25/17 | 8/25/2017            |
| 1802                 | PRESIDENT TRUMP-<br>FEMA U.S. VIRGIN ISLANDS DR-4335<br>PUERTO RICO DR-4336<br>FLORIDA DR-4337, GEORGIA DR-4338 | NJ ASSISTING OUTSIDE STATES<br>HURRICANE IRMA 9/10/17   | 9/10/2017            |
| 1803                 | GOVERNOR CHRISTIE - 233<br>PUERTO RICO FEMA DR-4339<br>U.S. VIRGIN ISLANDS FEMA DR-4340                         | NJ ASSISTING OUTSIDE STATES<br>HURRICANE MARIA 9/17/17  | 9/29/2017            |