DNRC Business Management Bureau
Standard Operating Procedure

CY2016 Fire Finance Operations – Contract Payments

The DNRC and other wildland fire protection agencies (BLM, NPS, BIA, FWS, USFS, and states) procure fire suppression equipment and support services from individuals, contractors, and local government agencies during or in anticipation of incidents. The fire protection agency responsible for the incident initiates the documentation to ensure the resource is compensated in accordance with the applicable policy and agreements, such as the Emergency Equipment Rental Agreement (EERA) and Incident Rental Agreement (IRA). The protection agency is responsible for payment to the EERA resources while the contracting agency is responsible for payment to IRA resources.

The DNRC land offices are responsible for direct protection and contracting resources within their area. Inherently, each land office is fiscally responsible in executing its direct protection and contracting duties. Fiscal responsibility extends to assuring the State and the contracted resource that the approved payment is no more or less than allowed per the contract. Where multiple Land Offices are involved in payment packets, the payment is processed by the area that is operationally responsible.

The BMB is responsible for the payment to contracted resources on DNRC incidents and for local government cooperators on all incidents. The BMB conducts a compliance review of each EERA/IRA payment packet to verify its integrity, i.e., the invoice charges are accurate, properly documented, and comply with governing policy and agreements. Where errors are found, the BMB will recommend invoice changes to the Land Office. The Land Office will approve or reject the recommendation. The BMB will mail a copy of any corrected invoice to the contractor.

The purpose of this SOP is to detail the incident resource payment procedures for contracted services. This SOP compliments the IIBMH (Yellow Book) and the DNRC Fire Business Manual (300). *Personnel resources are processed separately from this SOP.* That process and other incident business policy and forms are on the Fire and Aviation Management Bureau (FAMB) website.

http://dnrc.mt.gov/divisions/forestry/fire-and-aviation/fire-business

PERSONNEL AND TRAVEL

The DNRC has several hiring methods available to its program managers. The FAMB business website contains the applicable policies, procedures, and forms.

I. EMERGENCY FIRE FIGHTERS - EFF

The hiring land office, or unit, audits and approves the timesheet based on the supporting documentation listed below. Once approved, the original timesheet is forwarded to FSO for payment.

Supporting Documents:

1. OF-288 Emergency Firefighter Time Report (Original sent to FSO for payment)
2. SF-261 Crew Time Report
3. Resource Order (except during initial attack or severity)
4. State of Montana Travel Expense Voucher (if applicable)

II. UN-OPERATED OR LOCAL GOVERNMENT EFFS

Un-operated Assignments

EFF personnel that are dispatched to an incident as part of an un-operated equipment dispatch are paid through the same channels as defined in Section I of this SOP.

Permanent or Salaried Personnel (Local Government, Sheriff, City DES)

The time and travel reimbursement for personnel that are dispatched to an incident on behalf of a local government agency are paid to the employee by that agency. The local government agency will subsequently submit an invoice to the Land Office responsible for payment in order to recoup the expenses. This invoice will be processed in the same manner as EERA/IRA payments detailed later in this SOP. The invoice will contain agency timesheets or similar documentation as in Section I of this SOP for its personnel charges. The employee travel reimbursement is subject to the policy of the local government agency.

III. STATE OF MONTANA EMPLOYEES (NON-DNRC)

See the Montana Operations Manual (MOM), Chapter 317 Disaster and Emergency Expenses, effective 07/01/2005, revised 2/11/2014.

CONTRACTED RESOURCE PAYMENTS – THE EERA/IRA PROCESS

I. PROCESS OVERVIEW

The DNRC fire accounting process is identical to its normal business practices and procedures. The expense is incurred by the operations or support personnel at the unit, land office, dispatch center, or incident. The supervisor for the individual that incurred the expense is responsible for ensuring the expense is appropriate, operationally sound, and within applicable policy and agreements. The source documentation is first received and approved at the incident or unit level and flows through higher-level authorities until the expense is recorded by the DNRC Financial Services Office (FSO) in the Statewide Accounting, Budgeting, and Human Resource System (SABHRS). Only cash transactions are entered into SABHRS, while non-cash expenses, such as DNRC owned equipment use, are collected at the BMB.

A fire payment packet is the compilation of all the Emergency Equipment Use Invoices (OF-286) for a single piece of equipment for the same vendor for one incident. The Unit/Land Office is responsible for compiling, auditing and approving the payment packet. The BMB is responsible for reviewing the payment packet. The FSO is responsible for entering the payment packet into SABHRS.

Responsibilities by entity:

Incident Team/Unit	Unit/Land Office	BMB	FSO	DOA
Packet compilation and audit	Packet Approval	Packet review	Payment entry in SABHRS	Payment Disbursement

II. RESOURCE PAYMENT PACKET COMPILATION –EERA/IRA

The incident management team or unit initiates the payment packet. A payment packet is created for each piece of equipment per contractor on a single incident. (The only exception is in the case of heavy equipment with transport hired on the same RO. In this case both heavy equipment and transport are paid on one payment packet.) The Area Fire Program Manager may authorize partial payments to its contracted resources during long-term incidents.

Support documents – The following is a comprehensive list of the source documents that complete a payment packet. The documents may be copies, except for the Emergency Equipment Use Invoice. The payment packet documents are sorted in the order below. The payment packet is:

1. OF-286 Emergency Equipment Use Invoice (Original, page one on top)
2. Invoice Deduction/Addition sheet printed from e-
3. OF-297 Shift Ticket (chronologically taped, two per letter size paper)
4. OF-304 Fuel and Oil Issue

5. Travel receipts (taped to blank sheet of paper in chronological order)
6. Travel or Work/Rest Authorization (typically only un-operated equipment is authorized travel unless the incident commander approves fully operated travel in special circumstances)
7. OF-294 EERA, IRA or other agreement – it is unnecessary to attach the general clauses
8. Chief's Certification for Local Government Fire Forces (IRA payment packets)
9. Option 3 – LGFF Agreement Personnel Billing Rate Form (Option 3 – IRA payments)
10. OF-296 Equipment Inspection (pre and post) – If the inspection was not performed or the sheet is not present, the remarks "No damage/No claims" (ND/NC) noted on the OF-286 Emergency Equipment Use Invoice remarks section will suffice
11. Resource order (if initial attack, indicate IA, the ordering unit and fire supervisor on the Fire Invoice Approval Sheet)

III. FIRE PAYMENT AUDIT AND APPROVAL

Scope

The purpose of the fire payment audit is to ensure that the contracted resource is paid no more or less than the policy and agreements stipulate and is charged to the appropriate SABHRS org and account. The initial audit will be conducted at the incident or unit because it is most efficient to identify and correct errors at the lowest level possible. Each Land Office is responsible for the payment approval of each packet within its jurisdiction.

The audit focus is on the source documents and invoice. The auditor is expected to achieve the following key objectives, which are detailed in the Fire Payment Audit Guide.

- Ensure the incident invoice complies with governing policy or agreements (EERA/IRA, VIPR, Mutual Aid, Cost-Share, Six-Party Agreement, The Yellow Book IIBMH, FAMB Manuals, DNRC or State policy, etc.).
- Verify the accuracy of the invoice regarding mathematical computation and data entry.
- Verify the source documents are complete and attached to the payment packet per Section II of this SOP.
- Confirm the payment is not duplicative and is coded to the proper org and account.

Procedures

<u>Process: Fire Payment Audit (Unit and/or Land Office)</u>

Responsibility: Verify the accuracy of the incident invoice regarding mathematical computation, incident information, duplicate invoicing, document audit completion and payment approval

Steps:

1. Initiate the BMB Fire Invoice Approval Sheet.
2. Assemble the documents in order as previously stated in Section II.
3. Indicate the TIN is listed on the OF-286 Emergency Equipment Use Invoice for all private vendors. TIN is not necessary on local government fire packets.
4. Accomplish the audit objectives using the Fire Payment Audit Guide.
5. Correct invoices as necessary by redline only so that original documentation is still visible.

6. Note errors, omissions, and corrections on the Approval Sheet for subsequent review.
7. Ensure the invoice is accurate, complete, and not duplicative.
8. Approve the invoice by signing the complete Fire Invoice Approval Sheet.
9. Forward the original payment packet to the BMB and maintain a copy or scan at the Land Office.

IV. FIRE PAYMENT

The BMB completes the fire payment process by signing the Fire Invoice Approval Sheet as a reviewer, and forwarding it to FSO for payment. The approval sheet has original signatures from the Unit and/or Land Office and BMB. The entire payment process will take between two and six weeks.

Process: Fire Payment Packet Review (BMB)
Responsibility: Conduct a compliance review of the audit and payment approval by the Unit and/or Land Office
Steps:
1. Review the payment packet for compliance with the objectives set forth in this SOP.
2. Resolving discrepancies:
    a. For minor issues, contact the Land Office for clarification. Modify the payment packet as necessary.
    b. Major payment packet deficiencies are returned to the Land Office for resubmission.
3. Confirm the packet is in compliance by signing the BMB Fire Invoice Approval Sheet.
4. Forward the original Invoice Approval Sheet, Emergency Equipment Use Invoice, Invoice Deduction Sheet (from e-ISuite), and copies of the fuel receipts to FSO.
5. If the DNRC audit process results in a modified payment to the vendor, the BMB will mail/email a letter of explanation detailing the corrections and provide a copy of the corrected Emergency Equipment Use Invoice to the vendor and the initiating Unit/Land Office.
6. BMB posts a copy of the redacted payment packet to the Fire Finance & Payments drive for that CY (F:Drive).

Process: Fire Payment (FSO)
Responsibility: Submit the approved invoice for payment in SABHRS
Steps:
1. Ensure the Invoice Approval Sheet is signed by the Area and BMB.
2. Process the document for payment in accordance with FSO protocol.