

Annual Budget Pre-Approval Frequently Asked Questions

Effective July 1, 2011, all active claims in Priority Classes A, B, and C were placed on an annual budget.

- **What happens if my consultant runs over the allotted budget? Will money be available for cost overruns?**

Currently, the Fund does not have money available or allocated to pay for costs in excess of the approved budget for each claim. If the claimant goes over their budgeted allotment, the Fund will defer the payment for the amount over budget until funds are available. At this time, the Fund cannot determine when the deferred costs will be paid. As money becomes available, it will be paid out by priority class and date received.

Regardless, it is the claimant's responsibility to stay in compliance with regulatory directives even if the Fund is not able to reimburse costs.

- **Can I submit a change order for cost overruns?**

Claimants can submit budget change order request if they believe additional funding is required for their allotted budget. The Fund is currently approving budget change order requests as funds become available. Funding for reimbursements will only be available for approved budget change order requests.

- **Can budgeted costs incurred in one fiscal year be rolled over into subsequent fiscal years?**

No. Budgeted costs cannot be carried forward into subsequent budgeting years. This practice would not allow the Fund to maintain accurate cash projections. Budgets are allocated on an annual basis based upon the cash available and approved budget authority.

- **If allocated budgets for fiscal year 2011/12 are exceeded, will exceeded costs be paid from fiscal year 2012/13 funds before site budget allocations are calculated for the next FY?**

No. The Fund's fiscal year priority is to allocate budgets and reimburse costs associated with that budget. The Fund has a very limited amount of funds to reimburse non-budgeted costs in 2012/13. The majority of funds available to pay claims in future fiscal years are for reimbursing costs associated with claims' annual budgets.

- **What happens if a claimant spends more money than budgeted for a site, and how is the Fund handling this? How and when does the Fund intend to reimburse the overage?**

Currently, the Fund does not have money available or allocated to pay for costs in excess of the approved budget for each claim. If the claimant goes over their budgeted allotment, the Fund will defer the payment for the amount over budget until funds are available. At this time, the Fund cannot determine when the deferred costs will be paid. As money becomes available, it will be paid out by priority class and date received.

Regardless, it is the claimant's responsibility to stay in compliance with regulatory directives even if the Fund will not reimburse those costs.

- **Will costs outside the scope of the budget be reimbursed?**

Currently, the Fund does not have money available or allocated to pay for costs in excess of the approved budget for each claim. If the claimant goes over their budgeted allotment, the Fund will defer the payment for the amount over budget until funds are available. At this time, the Fund cannot determine when the deferred costs will be paid. As money becomes available, it will be paid out by priority class and date received.

Regardless, it is the claimant's responsibility to stay in compliance with regulatory directives even if the Fund is not able to reimburse costs.

○ **What costs will the Fund pay for sites that are in the Site Closeout category?**

In general, costs incurred for the following tasks will be considered reasonable and necessary for sites in the Site Closeout category. However, it is possible that other types of costs related to site closeout activities may be reimbursed on a site-specific basis, based upon discussions with the Fund.

- 1) Case Closure Summary Document
- 2) Public Notification Documents
- 3) Well Destruction Workplan
- 4) Well Destruction Permits
- 5) Well Destruction
- 6) Well Destruction Report
- 7) Remedial Equipment Removal & Disposal
- 8) Investigation Derived Waste Removal & Disposal
- 9) Upload of any outstanding documents to GeoTracker

○ **Can I submit old costs on the same spreadsheet with my new costs?**

No. Old costs and budgeted (current FY) costs must be submitted on separate spreadsheets and in separate RR packages. Going forward, costs between different fiscal years must be submitted in separate RR packages. If costs are combined, the RR package will be returned.

○ **Does the date of the invoice determine how the Fund will treat/pay for the costs?**

The invoice date does not determine how the Fund will process the RR package. The Fund will review each invoice and verify when the costs were incurred. For example, costs incurred prior to July 1, 2011, but invoiced after July 1, 2011 will be considered old costs.

○ **Must invoices for old costs be dated prior to July 1, 2011?**

No. As long as the costs were incurred prior to July 1, 2011, the invoice date does not have to be prior to this date.

○ **What is the likelihood and projected payment date for old costs?**

The Fund is paying out all RR packages for costs incurred prior to July 1, 2011, which were received through December 31, 2011. For any RR packages received after December 31, 2011, the Fund is unable to project exactly when remaining RR packages will be paid. Payment of these will depend on the availability of funds.

○ **Why didn't I receive my full requested budget amount?**

Many claims did not receive the requested budget amount. The Fund allocated funding based on the claim's priority class, the budget requested amount, the site's phase of cleanup, and the estimated amount of available funding.

○ **Can I appeal the budget amount I received?**

No. The claim budgets are an administrative tool used by the Fund to help manage annual expenditures against anticipated revenues. Annual claim budgets are not determinations of whether a claimant's costs are eligible for reimbursement. If you believe your budget allocation is in error, or you want to request a change to your budget category, you may request that using the appropriate Budget Change Order Request form located at the Fund's website.

○ **I was assigned the wrong budget category, how can I fix this?**

Complete and submit the Budget Change Order Request Form located at the Fund's website.

○ **If the budget category is changed for the claim, will the budgeted amount previously approved be automatically modified?**

No. The budgeted amount approved for each claim will remain the same. If additional funds are available, the Fund will consider reallocating funds for the claim. However, claimants can submit a budget change order request if they believe additional funding is required for their allotted budget as a result of the budget category change. The Fund is currently approving budget change order requests as funds become available. Funding for reimbursements will only be available for approved budget change order requests.

- **When a claim is issued a budget that is less than the amount requested, does the approved amount have to be amongst specific tasks? Can the remaining amount approved for one category be allocated to another budget category?**

Nearly every claim received a lower budget amount than what was requested. The Fund is reviewing reimbursements based on the total approved budget and not the specific task breakdown. Therefore, funds can be moved around as long as you stay within your overall work-phase budget.

- **I share costs with another claim, shouldn't we have received the same budget amount?**

Not necessarily. Depending on the circumstances at the particular site, each claim receives a budget allocation based on: 1) the claim's site information available at the time of the Fund's budget review; 2) whether a budget was submitted by the claimant; or 3) the budget amount requested by the claimant; and 4) the funds available at the time of the review.

- **The budget I received for my claim will exceed the \$1.5 million cap; can I still get reimbursed for the amount in the annual claim budget?**

No. Reimbursement from the Fund for corrective action, regulatory technical assistance, and third party compensation costs shall not exceed \$1,500,000 (less the deductible) per occurrence. This maximum reimbursement amount is established in statute.

- **I am a School District and I don't have a budget, why?**

Claims reimbursed from the School District Account are being budgeted separately. However, the Fund is requesting that active school district claims submit an estimate of projected costs to obtain site closure. This information is necessary for the Fund to encumber funds specifically allocated for these types of claims for use through June 30, 2014.

- **Can I appeal non-payment of costs related to budget?**

Yes. Any costs determined ineligible can be appealed. Complete the [Request for Appeal Form](#) on the website and submit it with the necessary documentation for review.

- **Will the Fund continue processing RRs for non-budgeted or “old costs”; and issuing “pending” letters?**

For RRs containing costs incurred prior to July 1, 2011, the Fund will continue using the “Hold for Payment” letters notifying you that an amount of submitted costs were placed on “hold” until funding is available.

- **Will the Fund still accept costs submitted on the old spreadsheets?**

No. As of August 15, 2011, all costs must be submitted on the new spreadsheet located at the Fund’s website.

- **The annual budget process began on July 1, 2011 – what about old costs that were incurred before that date, how are you handling these costs?**

Old costs must be submitted on the new spreadsheet separately from budgeted costs, and will be paid in order of priority class and date received. RR packages containing both old costs and budgeted costs will be returned.

- **Can I submit a reimbursement request with old costs if it is under \$10,000?**

Yes, but only if the RR package is the final submission of old costs for the claim.

- **Is there a deadline for old costs reimbursement requests to be submitted?**

Old costs (those incurred prior to July 1, 2011) that are submitted by June 30, 2012 will be paid by the Fund, as funds are available. For old costs submitted after June 30, 2012 the Fund will defer the payment until funds are available. At this time, the Fund cannot determine when the deferred costs will be paid. As money becomes available, it will be paid out by priority class and date received.

- **Does the Fund consider a company truck transporting field sampling equipment and tools unreasonable and unnecessary?**

No. The Fund will reimburse mileage for the use of company trucks, at the applicable state rate, which is currently 55.5 cents per mile. This amount is subject to change at any time.

○ **Will the Fund reimburse for large one-time copying costs?**

The Fund encourages electronic submittal of information, and the use of GeoTracker whenever possible. However, we will evaluate those requests on a case-by-case basis.

○ **Does the Fund have an opinion regarding the time frame of when the budget allocation is spent at a site? Does it matter if the claimant uses up the budget in 3 months or 12 months?**

No, as long as the expenditures fall within the scope of their budgeted category within the fiscal year of the site budget.

○ **Is the Fund going to stop reimbursing all markup charges?**

No. Generally, mark-ups should not exceed 10 percent of the maximum invoice regardless of the total subcontractor or equipment amounts. Mark-ups on any of the following are usually considered unreasonable:

- 1) Sales taxes or other local, state, or federal taxes;
- 2) Local, state or federal permit fees required for the project;
- 3) Utility bills, including electrical, natural gas, and propane;
- 4) Local agency regulatory fees, such as Local implementing Agency fees;
- 5) Per diem costs.

The Fund will evaluate exceptions on a case-by-case basis.

○ **The August 15, 2011, letter regarding the designation of reasonable and necessary reimbursable costs are different than the Fund's current Cost-Guidelines, which one do we use?**

The August 15, 2011, letter takes precedence over the current Cost-Guidelines. We are in the process of updating the Cost-Guidelines.

- **Will utility invoices that are split between FY 2010-2011 and FY 2011-2012 be considered old or new costs?**

Due to the billing cycle of utility bills, the Fund will accept them as either old or new costs depending upon the RR package in which the invoice is submitted. For example, if the invoice is included in an RR package containing all old costs, then the invoice will be considered an old cost.

- **Will reports written in July 2011 be considered an old or new cost if they are using sampling and analysis work completed in FY 2010-2011?**

In these situations, the Fund will consider the cost for writing the report a new cost because the actual work of writing the report was performed and completed after July 1, 2011. The Fund understands that work for sampling and analysis may have been completed prior to July 1, 2011. Although the sampling and analysis work is considered an old cost because the costs were incurred prior to July 1, 2011, the actual report writing will not be considered old costs because the costs were incurred after July 1, 2011. The Fund determines the type of cost (old or new) based upon when the costs were incurred.