



UNDER SECRETARY OF DEFENSE

1100 DEFENSE PENTAGON
WASHINGTON, DC 20301-1100

SEP 23 2005

COMPTROLLER

MEMORANDUM FOR SECRETARIES OF THE MILITARY DEPARTMENTS
CHAIRMAN OF THE JOINT CHIEFS OF STAFF
COMMANDER UNITED STATES NORTHERN COMMAND
COMMANDER, UNITED STATES TRANSPORTATION
COMMAND
COMMANDER, UNITED STATES SPECIAL OPERATIONS
COMMAND
DIRECTORS OF THE DEFENSE AGENCIES

SUBJECT: Reporting of Hurricane Katrina Relief Costs

As provided under Public Law 106-390, the Department of Defense (DoD) is fully engaged in providing support to federal, state, and local authorities in Hurricane Katrina relief efforts. To substantiate supplemental funding provided by Congress and seek proper reimbursement from the Federal Emergency Management Agency on efforts associated with Hurricane Katrina relief, the DoD Components must track and report costs, reimbursable and non-reimbursable, on both a daily and monthly basis.

The attached guidance, entitled "Hurricane Katrina Recovery Support Cost Reporting," supplements DoD Directives 3025.1, "Military Support to Civil Authorities," and 3025.15, "Military Assistance to Civil Authorities." This guidance is designed to:

- (1) define the requirements to accurately capture both the incremental costs associated with DoD supplemental funding and the total costs associated with reimbursable work;
- (2) define the roles and responsibilities for DoD Components incurring these costs; and
- (3) establish the requirements for the analysis of the cost data.

The DoD Components engaged in Hurricane Katrina relief efforts must submit the required daily and monthly cost reports to the Defense Finance and Accounting Service Denver, which will consolidate and submit the reports to the Office of the Under Secretary of Defense (Comptroller) (Program/Budget).

My staff point of contact for this matter is Mr. Greg Keiling, Defense Finance and Accounting Service, Denver. He may be reached by email at Greg.Keiling@dfas.mil or by telephone at (303) 676-6391.

Tina W. Jonas

Attachment:
As stated

HURRICANE KATRINA RECOVERY SUPPORT COST REPORTING

I. References.

- A. Department of Defense (DoD) Directive 3025.1, "Military Support to Civil Authorities" (MSCA), January 15, 1993.
- B. DoD Directive 3025.15, "Military Assistance to Civil Authorities," February 18, 1997.

II. Purpose and Applicability.

- A. This guidance implements Reference A and B as they pertain to documenting costs and seeking reimbursement from the Federal Emergency Management Agency (FEMA) in support of the Hurricane Katrina recovery efforts. This guidance defines the requirement to accurately capture all DoD incremental and total reimbursable costs, defines the roles and responsibilities for DoD Components incurring and reporting these costs, and establishes the requirement for the analysis of the cost data. Incremental costs are defined as the costs that are above and beyond baseline operations.
- B. Each DoD Component must report all costs associated with Hurricane Katrina support efforts and validate that the reported costs are accurate, supportable and provide a fair representation of ongoing activities. Cost reports are to include:
 - (1) FEMA Reimbursable Costs. Report total costs connected with support to FEMA in association with a Mission Assignment. A Mission Assignment is similar to an interagency agreement. Reportable costs include but are not limited to: security operations; personnel search/rescue/recovery operations; personnel evacuation; medical support; transport of personnel, supplies and equipment; the provision and distribution of basic sustainment items, materials and supplies; debris removal, and restoration of basic utilities and major surface transportation routes.
 - (2) Other Stafford Act Support with Reimbursement. Report total costs of support given to FEMA not covered by a Mission Assignment. Requests made for an immediate response (i.e., any form of immediate action taken by a DoD Component or military commander to save lives, prevent human suffering, or mitigate great property damage under imminently serious conditions) may be made to any component or command.
 - (3) DoD Needs Non-Reimbursable. The Department will also incur costs for DoD personnel and facilities as a result of Hurricane Katrina. Report incremental costs (above basic mission requirements) incurred due to Hurricane Katrina for supporting DoD personnel, military installations, and other DoD operating units. These costs

are not reimbursable from FEMA. These expenses are funded through the supplemental appropriation and directly funded through the Department's and Services' applicable operating appropriations.

- C. To meet additional reporting requirements from Congress, each of the categories in paragraph B must be distinguished between costs associated with purchase card procurements and non-purchase card procurements.

III. Responsibilities.

- A. Under Secretary of Defense (Comptroller) (USD(C)). The USD(C) is responsible for overall financial policy for MSCA. The USD(C) has designated the Defense Finance and Accounting Service (DFAS) Denver as the focal point for cost reporting. The Operations Directorate within USD(C) Program Budget will be the recipient of the consolidated cost reports submitted by the DFAS Denver.
- B. Secretaries of the Military Departments and Heads of Defense Agencies. The Heads of the DoD Components are responsible for reporting the costs associated with Hurricane Katrina relief efforts, on both a daily and monthly basis, and are responsible for the accuracy of these reports. The DoD Components will also work with DFAS to obtain cost data captured in the accounting systems and provide those, and any other costs, to DFAS Denver as required above.
- C. Defense Finance and Accounting Service. DFAS will provide the accounting systems and data retrieval support needed by the DoD Components to accomplish daily and monthly cost reporting. DFAS Denver, Directorate for Security Assistance, will consolidate the daily and monthly cost reports and analysis provided by the DoD Components and deliver the final reports and analysis to the OUSD(C) Program Budget. DFAS will act on behalf of the USD(C) to ensure field activities conduct an analysis of reliability, such as described in Appendix 3.

IV. Procedures.

A. Daily Reports

- (1) Components will prepare a summary level daily cost report, entitled "Component Daily Report on Hurricane Katrina Costs," in the format reflected on pages 1 through 3, Appendix 1, and submit this report to DFAS Denver (DFAS-ADY/DE) by noon (Eastern Standard Time) each business day via email at: cgaopscostdata@dfas.mil. The daily reports will separately identify FEMA reimbursable costs and DoD non-reimbursable costs. To the fullest extent possible, actual costs in official accounting systems will be the basis for reporting. When actual cost data is not captured in the accounting system, an alternative methodology will be established and documented in accordance with the guidance in Appendix 3 of this document. All reported costs must be supportable.

- (2) DFAS will compile the information reported in the Component daily reports into a summary level report entitled, "Executive Summary for Daily Report in Hurricane Katrina Estimated Costs," in the format provided on pages 4 and 5, Appendix 1, and submit this report to the OUSD(C) Program Budget by close of business each day.
- B. Monthly reports will be prepared in the format shown at Appendix 2. These reports will be provided at the modified Cost Breakdown Structure (CBS) level as defined on pages 3 through 10 of Appendix 2. All reported costs will be separately identified as FEMA reimbursable costs, Other Stafford Act Support with Reimbursement, or DoD non-reimbursable costs. To document each Component's validation of reported costs, the appropriate footnotes will be prepared in accordance with the instructions at Appendix 3 and submitted with each monthly cost report. The footnotes will be provided in two parts:
- Part 1, Variance Analysis, requires an explanation of any CBS line that exceeds the maximum variance.
- Part 2, Alternate Sources of Data, requires an explanation of all sources used to capture cost data, other than official accounting systems.
- C. Monthly reports must be provided to DFAS-ADY/DE no later than 30 days following the month in which costs were incurred.

Appendices:

1. Component Daily Report on Hurricane Katrina Costs and Executive Summary for Daily Report on Hurricane Katrina Estimated Costs
2. Monthly Report on Hurricane Katrina Estimated Costs
3. Instructions for the Analysis of Hurricane Katrina Support Estimated Costs

EXAMPLE

**Component Daily Report on Hurricane Katrina Costs
September 20, 2005**

Part I. Department of Defense Costs (Supplemental Funding)

(Dollars in Millions)

	Total Supplemental <u>Funding</u>	Obligations 16-Sep	Cumulative Obligations 19-Sep	<u>Change</u>	Remaining <u>Balance</u>
Army	690.8	99.9	132.4	32.5	558.4
Active		4.3	4.2	-0.2	
Guard		94.1	126.2	32.2	
Reserve		1.5	2.0	0.5	
Navy	435.3	164.3	171.2	6.9	264.1
Active		128.5	134.2	5.7	
Reserve		35.7	37.0	1.2	
Marine Corps	52.3	23.2	22.9	-0.3	29.4
Active		19.4	19.1	-0.3	
Reserve		3.8	3.8	0.0	
Air Force	412.0	170.5	174.1	3.6	237.9
Active		140.4	141.4	1.0	
Guard		24.3	26.8	2.5	
Reserve		5.7	5.8	0.1	
Defense-Wide	112.9	8.7	11.0	2.3	101.9
TJS		0.0	0.0	0.0	
NGA		5.9	6.2	0.3	
DCMA		0.7	0.9	0.3	
DIA		0.0	1.0	1.0	
DISA		0.2	0.9	0.7	
DoDEA		0.0	0.0	0.0	
DLA		1.6	1.6	0.0	
SOCOM		0.2	0.2	0.0	
DHP	10.4	7.1	7.1	0.0	3.4
Total	1,713.7	473.5	518.5	45.0	1,195.2
 <i>Daily Burn Rate:</i>		26.3	25.9		
<i>Change from Previous Day:</i>			-0.4		

Explanation of Changes:

EXAMPLE

**Component Daily Report on Hurricane Katrina Costs
September 20, 2005**

Part II. DoD Humanitarian Assistance Reimbursable by FEMA

(Dollars in Millions)

	Obligations	Cumulative Obligations	
	<u>16-Sep</u>	<u>19-Sep</u>	<u>Change</u>
Army	0.0	0.0	0.0
Active	0.0	0.0	0.0
Guard			0.0
Reserve			0.0
Navy	0.1	0.1	0.0
Active	0.1	0.1	0.0
Reserve	0.0	0.0	0.0
Marine Corps	0.3	0.3	0.0
Active	0.3	0.3	0.0
Reserve	0.0	0.0	0.0
Air Force	0.7	2.5	1.9
Active	0.5	2.4	1.9
Guard	0.2	0.2	0.0
Reserve	0.0	0.0	0.0
Defense-Wide	191.5	199.8	8.3
AFIS			0.0
OIG			0.0
TJS			0.0
NGA			0.0
DCMA			0.0
DISA			0.0
DTRA			0.0
DLA	191.5	199.8	8.3
SOCOM			0.0
DHP	0.0	0.0	0.0
Total	192.3	202.5	10.2

Explanation of Changes:

EXAMPLE

**Component Daily Report on Hurricane Katrina Costs
September 20, 2005**

Part III. DoD Operational Costs Reimbursable by FEMA

(Dollars in Millions)

	Operational Costs <u>16-Sep</u>	Cumulative Operational Costs <u>19-Sep</u>	<u>Change</u>
Army	264.7	172.2	-92.5
Active	264.7	172.2	-92.5
Guard			0.0
Reserve			0.0
Navy	60.6	60.8	0.2
Active	60.4	60.5	0.2
Reserve	0.2	0.3	0.0
Marine Corps	0.3	0.3	0.0
Active	0.3	0.3	0.0
Reserve	0	0	0.0
Air Force	9.2	18.3	9.1
Active	0	9.0	9.0
Guard	7.8	7.9	0.1
Reserve	1.4	1.4	0.0
Defense-Wide	31.9	31.9	0.0
AFIS			0.0
OIG			0.0
TJS			0.0
NGA			0.0
DCMA			0.0
DISA			0.0
DTRA			0.0
DLA	30	30	0.0
SOCOM	1.9	1.9	0.0
DHP	0.067	0.067	0.0
Total	366.5	283.3	-83.2

Explanation of Changes:

EXAMPLE

**Executive Summary for Daily Report on Hurricane Katrina Estimated Costs
September 20, 2005**

I. Department of Defense Costs (Supplemental Funding)

	<u>(Dollars in Millions)</u>			<u>(Dollars in Millions)</u>			<u>Balance</u>
	<u>Total Supplemental Funding</u>			<u>Estimated Obligations (Flash Data)</u>			
	<u>9/2/2005</u>	<u>Change</u>	<u>9/14/2005</u>	<u>9/16/2005</u>	<u>Change</u>	<u>9/19/2005</u>	
Army	70.4	620.4	690.8	99.9	+32.5	132.4	558.4
Navy	232.3	203.0	435.3	164.3	+6.9	171.2	264.1
Marine Corps	27.3	25.0	52.3	23.2	-0.3	22.9	29.4
Air Force	142.0	270.0	412.0	170.5	+3.6	174.1	237.9
Defense-Wide	28.0	84.9	112.9	8.7	+2.3	11.0	101.9
Defense Health Program	<u>0.0</u>	<u>10.4</u>	<u>10.4</u>	7.1	-	<u>7.1</u>	<u>3.4</u>
Total	500.0	1,213.7	1,713.7	473.5	+45.0	518.5	1,195.2
 <i>Daily Burn Rate:</i>				26.3	-0.4	25.9	

Notes:

Army: National Guard obligations increased by \$32.5 million for military pay, supplies, and equipment.

Navy: Navy Active and Reserve obligations increased by \$6.9 million for military per diem, clothing, and other personal equipment.

Marine Corps: Marine Corps obligations decreased by \$0.3 million in supplies, equipment, and contracts.

Air Force: Air Force obligations increased \$3.6 million for per diem, C4I, and supplies (including fuel).

Defense-Wide: NGA obligations increased \$0.3 million for supplies and materials. DCMA obligations increase by \$0.2 million for civilian travel and per diem. DISA obligations increase \$0.7 million for military travel and communications. DIA obligations increased \$1.1 million for supplies, equipment, services, and contracts.

Defense Health Program: No change.

EXAMPLE

II. FEMA Reimbursable Costs (Stafford Act)

		(Dollars in Millions)	
		<u>Estimated Obligations (Flash Data)</u>	
	<u>Orders Received</u>	<u>Humanitarian Assistance</u>	<u>Operational Costs</u>
9/16/2005	2,232.2	192.3	366.5
Change	-82.3	+10.2	-83.2
9/19/2005	2,149.9	202.5	283.3

Orders Received: Decrease in orders primarily due to reductions in mortuary affairs requirements, hospital beds, and multiple other adjustments.

Humanitarian Assistance:

Army: No change.

Navy: No change.

Air Force: Obligations increased by \$1.8 million for medical supplies, clean-up, urgent repairs, contractor support, and other supplies and equipment.

Defense-Wide: DLA obligations increased by \$8.4 million for MREs, fuel, and transportation for sleeping bags, medical supplies, and equipment.

Defense Health Program: No change.

Operational Costs:

Army: Deobligations of \$92.5 million result from FEMA Mission Assignment cancellations.

Navy: Increase of \$0.2 million for multiple changes.

Air Force: Obligations increased by \$9.1 million for parts, deployed personnel to repair equipment, and miscellaneous contracts.

Defense-Wide: No change.

Defense Health Program: No change.

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Notes on data sources:

Data is reported as of 1500 hours each day.

Army - Operational Data Storage (ODS) which receives feeds from the Standard Financial System (STANFINS). ODS is a DFAS maintained system.

Navy - Budget Submitting Offices (BSOs) in the field report obligations manually extracted from accounting systems. Obligations for BSOs that are experiencing communication and information systems problems resulting from Hurricane Katrina are estimated.

Air Force - Commander's Resource Information System (CRIS) which receives feeds from consolidated Air Force DFAS reports.

Defense-Wide - Defense-Wide agencies use a combination of DFAS reports or internal accounting systems. The internal accounting systems eventually feed into a DFAS report.

NORTHCOM - Manual tracking of FEMA mission assignments and EXORD tracking

Monthly Report on Hurricane Katrina Estimated Costs
(Dollars in Thousands)

Active Detailed Cost Summary

Other/Stafford Act
Support FEMA
Reimbursement TBD

FEMA
Reimbursable

Appropriation

Cost Categories

DoD Needs
Non-Reimbursable
(Personnel Bases)

Line

1.0	Personnel				
1.1	Military Personnel Pay and Allowances				
1.1.1	Reserve Components Called to Active Duty				
1.1.2	Basic Allowance for Housing				
1.1.3	Family Separation Allowance				
1.1.5	Subsistence				
1.1.7	Other MILPERS (Special Pay or Allowance)				
1.2	Civilian Pay and Allowances				
1.2.1	Civilian Premium Pay				
1.2.2	Civilian Temporary Hires				
	Total Personnel Costs				

2.0	Personnel Support Costs				
2.1	Travel and Temporary Duty Costs				
2.1.1	Per Diem - Military Dependents Only				
2.1.2	Per Diem - Military Members				
2.1.3	PCS Transportation-Military				
2.1.4	Dislocation Allowance				
2.1.5	Per Diem - DoD Civilians				
2.1.6	Per Diem - DoD Civilian Dependents				
2.1.7	PCS Transportation-DoD Civilians				
2.1.8	Miscellaneous Expense Allowance - DoD Civilians				
2.2	Clothing and Other Personnel Equipment and Supplies				
2.3	Medical Support/Health Services				
2.5	Other Personnel Support				
	Total Personnel Support				

3.0	Operating Support				
3.2	Operating Tempo				
3.2.1	Flying Hours				
3.2.2	Air Reconnaissance				
3.2.3	Other Flying Hours				
3.2.4	Steaming Days				
3.2.5	USNS Comfort				
3.2.5.1	TAD Non-medical personnel				
3.2.5.2	TAD Medical Personnel				
3.2.6	Medical Supplies				
3.2.7	Other Steaming Days				
3.2.8	Other (Please provide explanation)				
3.3	Other Supplies & Equipment				
3.4	Facilities/Base Support				
3.4.1	Facilities Sustainment, Restoration, and Modernization				
3.5	Equipment Maintenance				
3.6	Command, Control, Communications, Computers and Intelligence (C4I)				
3.7	Other Services and Miscellaneous Contracts				
	Total Operating Support				

4.0	Transportation				
4.1	Airlift				
4.2	Sealift				
4.3	Ready Reserve Force (RRF)/Fast Sealift Ship (FSS)				
4.4	Port Handling/Inland Transportation				
4.5	Other Transportation				
4.6	Second Destination Transportation				
	Transportation Total				

Monthly Report on Hurricane Katrina Estimated Costs

(Dollars in Thousands)

Other Stafford Act Support FEMA Reimbursement TBD
DoD Needs Non-Reimbursable (Personnel Bases)

FEMA Reimbursable

Appropriation

Cost Categories

Line

5.0	Working Capital Fund Support Costs				
5.1	Depot Level Repairables				
5.2	Depot Maintenance				
5.3	Non-Flying Hours Spares (War Reserve Stock)				
5.4	War Reserve Stock Secondary Items				
5.5	Pre-positioning Equipment Replacement (War Reserve Stock)				
5.6	Pre-positioning Munitions Replacement (War Reserve Stock)				
	Working Capital Fund Support Total				

6.0	Investment Costs				
6.1	Procurement				
6.1.3	Vehicle Procurement				
6.1.4	Communication & Electronic Equipment Procurement				
6.1.5	Other Procurement				
6.3	Military Construction				
6.3.1	Major Construction				
6.3.2	Minor Construction				
6.3.3	Family Housing (Construction)				
6.3.4	Family Housing (Operation & Maintenance)				
	Investment Costs Total				

7.0	Humanitarian Relief				
7.1	Water Storage				
7.2	Water				
7.3	Health Care				
7.4	Medical Supplies (Excluding USNS Comfort Supplies)				
7.5	Infrastructure Support				
7.5.1	Temporary/urgent repairs				
7.5.2	Utility/engineering inspections				
7.5.3	Facility rental				
7.6	Power/Lighting				
7.7	Communication/C3I				
7.8	General Transportation				
7.9	Clean-up costs				
7.10	Security				
7.11	Other Humanitarian Supplies				
7.12	Sanitation				
7.13	Humanitarian Daily Rations				
7.14	Child Care				
7.15	Mortuary Services/support				
7.16	Fuel				
7.17	Vehicle Rental				
7.18	Vehicle Purchase				
7.19	Other Procurement				
7.20	Contractor Support				
7.21	All Other Supplies & Materials				
	Humanitarian Relief Total				

Total DoD Costs

**COST CATEGORY DEFINITIONS
ASSOCIATED WITH HURRICANE KATRINA**

1.0 PERSONNEL

Incremental pay and allowances of DoD military and civilians providing Military Support to Civil Authorities (MSCA) in connection with Hurricane Katrina immediate response requests. Does not include pay or contract personnel included in other cost categories.

- 1.1 Military Personnel (MILPERS) Pay and Allowances. Incremental MILPERS cost including base pay, special pay, and entitlements above normal monthly payroll cost for Active, Reserve, and National Guard personnel performing duty in connection with MSCA as indicated below.
 - 1.1.1 Reserve Components Called to Active Duty (Voluntary or Non-Voluntary), or National Guard personnel activated but retained under State Control.
 - a. If using actual costs from the military pay systems, include all pay and allowances, except as indicated below (1.1.2 through 1.1.7), plus, add retired pay accrual and the government's share of the Federal Insurance Contributions Act (FICA).
 - b. If using the fully-burdened composite rate, routine pay, allowances, taxes, and accruals for Reserve and National Guard personnel called to support Hurricane Katrina MSCA mission are included. This category excludes Family Separation Allowance which is accounted for in line 1.1.3. Basic Allowance for Housing (BAH) must be extracted from the composite and included in line 1.1.2. The following pays are included in the composite: Basic Pay , BAH, Basic Allowance for Subsistence (BAS), Special Pays, Retired Pay Accruals, government's share of FICA, unemployment tax, and all incrementally associated special and incentive pays.
 - 1.1.2 Basic Allowance for Housing is the housing allowance paid to those military personnel whose pay is included in line 1.1.1.
 - 1.1.3 Family Separation Allowance is a special allowance paid to all Active and Reserve Component personnel who are separated from their families for 30 consecutive days or more.
 - 1.1.5 Subsistence includes the cost of water, food, ice, and other subsistence items which are purchased solely to support DoD personnel engaged in Hurricane Katrina MSCA mission. Does not include BAS for military personnel.
 - 1.1.7 Other MILPERS (Special Pay or Allowance). While not envisioned for the Hurricane Katrina MSCA mission, some Active and Reserve Component forces may be entitled to other allowances or special pay not included in one of the above items as a result of their involvement in this Hurricane Katrina MSCA mission. This may include, but is not limited to,

- additional BAS, BAH, or Clothing Monetary Allowance for enlisted personnel.
- 1.2 Civilian Pay and Allowances. Includes incremental DoD civilian pay and benefit expenses directly associated with Hurricane Katrina MSCA mission.
 - 1.2.1 Civilian Premium Pay. Includes certain types of pay such as overtime pay, night/shift differential pay, compensatory time earned, Sunday pay, holiday pay, and environmental differential pay that are incurred solely as a result of the employee's participation in support of the Hurricane Katrina MSCA mission.
 - 1.2.2 Civilian Temporary Hires. Includes the basic salary and benefit costs of DoD civilian employees hired, on a temporary/nonpermanent basis, to directly support the Hurricane Katrina MSCA mission or to provide backfill support with personnel deployed to the disaster area.

2.0 PERSONNEL SUPPORT

Includes materials and services required to support Active, Reserve, National Guard Personnel under State Control, and DoD civilian personnel directly engaged in the Hurricane Katrina MSCA mission.

- 2.1 Temporary Duty/Temporary Additional Duty Costs. Includes the costs for travel, per diem, and lodging for military and civilian personnel that result from direct participation in the Hurricane Katrina MSCA mission. While not envisioned, it could include costs for invitational travel orders for non-DoD personnel who travel at the request of a DoD Component on an assignment directly related to the Hurricane Katrina MSCA mission. Include applicable costs in lines 2.1.1 through 2.1.7.
- 2.1.4 Dislocation Allowance (Military). Includes any dislocation allowance paid to military personnel who are required to make a Permanent Change of Station (PCS) move due to Hurricane Katrina.
- 2.1.8 Miscellaneous Expense Allowance (DoD Civilian). Includes reimbursement for various costs (e.g., moving household furnishing, appliances, and other residence-relocation expenses) associated with an authorized/approved PCS or temporary change of station relocation of residence due to Hurricane Katrina.
- 2.2 Clothing and Other Personnel Equipment and Supply Costs. Includes the cost of individual and organizational clothing and equipment not already issued to military and civilian personnel deployed to the disaster area in support of the Hurricane Katrina MSCA mission. When appropriate, also includes such items as biological clothing and equipment to be used in the disaster area. Also includes issue or replacement of clothing, individual equipment, tools and administrative supplies, personal demand items, and other personal care items necessary to accomplish the Hurricane Katrina MSCA mission in the disaster area.

- 2.3 **Medical Support/Health Services.** Includes additive costs associated with providing medical services to military (Active, Reserve, National Guard under state control) and civilians (DoD or contractor) in clinics, hospitals, hospital ships, or other medical treatment facilities. Includes necessary immunizations, medical materials (Army Class VIII supplies, e.g., blood, fluids, and specialized medical repair parts), medical supplies, patient evacuation, and other non-pay and allowances expenses associated with medical backfill in support of the Hurricane Katrina MSCA mission in the disaster area. Includes communications costs associated with provisions of medical services via telemedicine. Does not include costs incurred for non-DoD or non-DoD contractor personnel, which are to be included in reimbursable costs.
- 2.5 **Other Personnel Support.** Includes personnel support costs not included in one of the above items incurred as the result of direct Hurricane Katrina MSCA mission support. Include in this line the costs of medical personnel contracted to backfill deployed medical personnel.

3.0 OPERATING SUPPORT

The incremental costs of material and services used to conduct or support the Hurricane Katrina MSCA mission, to include contract services.

- 3.2 **Operations Tempo (OPTEMPO).** Includes the incremental cost to operate units that conduct or support the Hurricane Katrina MSCA mission, such as materials and services used during the MSCA mission, petroleum, oils, and lubricants (Army Class III items), and spare and consumable parts, such as repair components, kits, assemblies, repairable and non-repairable items for equipment maintenance support. Only those additional OPTEMPO costs that the Department incurs as a direct result of the MSCA mission in the disaster area should be included. Include applicable costs in lines 3.2.1 through 3.2.8. Explain line 3.2.8 in the footnotes.
- 3.3 **Other Supplies and Equipment.** Includes acquisition via lease, rental, or purchase of supplies and equipment necessary to equip and sustain DoD forces during the Hurricane Katrina MSCA mission, such as special protective gear for equipment or decontamination of equipment.
- 3.4 **Facilities/Base Support.** Includes establishment, maintenance, and operation of billeting, camps, airfields, staging areas, relief centers, etc., similar to base operating support and real property maintenance in the disaster area required as a direct result of the Hurricane Katrina MSCA mission. This category includes leases, rents, and utilities to operate bases above the baseline operating/support facilities established in support of the Hurricane Katrina MSCA mission, as well as special sewage removal, water hauling, and other base operating expenses, such as food preparation

and/or serving services for DoD military, civilian, and contractor personnel in the disaster area supporting the Hurricane Katrina MSCA mission.

- 3.5 **Equipment Maintenance.** Includes the cost to clean, inspect, maintain, replace, and restore equipment to the required condition at the conclusion of the Hurricane Katrina MSCA mission. Excludes the cost to transport equipment being repaired and/or restored, but does include costs for organizational, intermediate depot level maintenance or contractor logistic support necessary to restore equipment to the required condition at the conclusion of the MSCA mission.
- 3.6 **Command, Control, Communications, Computer and Intelligence (C4I).** Includes the cost of installing and maintaining C4I systems required to support the Hurricane Katrina MSCA mission, such as purchase and lease of communications equipment, lease of commercial long-haul lines, the collection, analysis, and dissemination of information or intelligence information in support of the Hurricane Katrina MSCA mission.
- 3.7 **Other Services and Miscellaneous Contracts.** Includes the cost of procuring, leasing, or renting miscellaneous supplies or services used during the Hurricane Katrina MSCA mission. Includes general support and administrative equipment not identified in another category.

4.0 TRANSPORTATION

Includes transportation costs associated with supporting the Hurricane Katrina MSCA mission, including contract services, for all phases of the mission to include deployment to, sustainment in, and redeployment from the disaster area.

- 4.1 **Airlift.** Includes transportation of personnel, equipment, and material by air, via commercial or military assets, into or out of the disaster area in connection with Hurricane Katrina MSCA mission.
- 4.2 **Sealift.** Includes transportation of personnel, equipment, and material by sea using commercial or active duty naval ships into or out of the disaster area in connection with Hurricane Katrina MSCA mission.
- 4.3 **Ready Reserve Forces (RRF)/Fast Sealift Ship (FSS).** Includes transportation of personnel, equipment, and material by sea using RRF/FSS into and out of the disaster area in connection with the Hurricane Katrina MSCA mission.
- 4.4 **Port Handling/Inland Transportation.** Includes port handling costs and transportation of personnel, equipment, and material by land. Includes any contracted services to support port handling or inland transportation

between home station and ports and transportation between ports and the disaster area during deployment, sustainment and redeployment in direct support of Hurricane Katrina MSCA mission.

- 4.5 Other Transportation. Includes transportation costs not included as airlift, sealift, RRF/FSS, or port handling/inland transportation. (Explain costs in footnotes.)
- 4.6 Second Destination Transportation. Includes the cost of delivering end item(s) to the disaster area for Hurricane Katrina MSCA mission. Includes Defense Logistics Agency second destination charges.

5.0 WORKING CAPITAL FUND (WCF) SUPPORT COSTS

Includes costs associated with supporting the Hurricane Katrina MSCA mission accepted by Defense WCF organizations for MSCA mission operations.

- 5.1 Depot Level Repairables. Includes depot level repairable obligations incurred in support of Hurricane Katrina MSCA mission within a WCF.
- 5.2 Depot Maintenance. Includes depot maintenance obligations incurred in support of Hurricane Katrina MSCA mission within a WCF.
- 5.3 Nonflying Hours Spares (War Reserve Stock). Includes nonflying hours spares obligations incurred in support of a contingency operation within a WCF.
- 5.4 War Reserve Stock Secondary Items. Includes war reserve stock secondary items obligations incurred in support of a contingency operation within a WCF.
- 5.5 Prepositioning Equipment Replacement (War Reserve Stock). Includes prepositioning equipment replacement obligation incurred in support of a contingency operation within a WCF.
- 5.6 Prepositioning Munitions Replacement (War Reserve Stock). Includes prepositioning munitions replacement obligations incurred in support of a contingency operation within a WCF.

6.0 INVESTMENT COSTS

Includes costs associated with supporting the Hurricane Katrina MSCA mission, appropriately financed in the Procurement or Military Construction appropriations directly related to the MSCA mission in the disaster area.

- 6.1 Procurement. Includes costs associated with supporting the Hurricane Katrina MSCA mission financed in the procurement accounts.
 - 6.1.3 Vehicle Procurement. Includes the obligation of funds in the Component's Vehicle procurement accounts, incurred in direct support of the Hurricane Katrina MSCA mission. Report DoD costs on this line and reimbursable Federal Emergency Management Agency (FEMA) costs on line 7.19.
 - 6.1.4 Communication & Electronic Equipment Procurement. Includes the obligation of funds in the Components Communication & Electronic procurement accounts, incurred in direct support of the Hurricane Katrina MSCA mission.
 - 6.1.5 Other Procurement. Includes the obligation of funds in the Components Other Procurement accounts, incurred in direct support of the Hurricane Katrina MSCA mission.

- 6.3 Military Construction. Includes costs associated with supporting the Hurricane Katrina MSCA mission for items appropriately financed in the Military Construction accounts.
 - 6.3.1 Major Construction. Includes the obligation of funds in the DoD Components Major Construction program, within the Military Construction title, incurred in direct support of the Hurricane Katrina MSCA mission.
 - 6.3.2 Minor Construction. Includes the obligation of funds in the DoD Components Minor Construction program, with the Military Construction title, incurred in direct support of the Hurricane Katrina MSCA mission.
 - 6.3.4 Family Housing (Operation & Maintenance) (O&M). Includes the obligation of funds in the DoD Components' Family Housing (O&M) program, within the Military Construction title, incurred in direct support of the Hurricane Katrina MSCA mission.

7.0 HUMANITARIAN RELIEF

Includes costs associated with supporting Hurricane Katrina relief efforts in response to FEMA Mission Assignments and in support of DoD personnel and installations.

- 7.1 Water Storage. Includes the costs for the urgent, temporary, and emergency storage of water in direct support of the Hurricane Katrina MSCA mission.
- 7.2 Water. Includes the costs to purchase water to meet basic human needs in direct support of the Hurricane Katrina MSCA mission.
- 7.3 Health Care. Includes the costs to provide urgent medical care and humanitarian assistance in direct support of the Hurricane Katrina MSCA mission.

- 7.4 Medical Supplies (Excluding USNS Comfort Supplies). Includes the costs to provide medical supplies in response to urgent medical and humanitarian needs in direct support of the Hurricane Katrina MSCA mission.
- 7.5 Infrastructure Support. Includes the costs to support urgent, temporary, and emergency repairs to prevent further damage, protect property or alleviate safety concerns. Obligations made in direct support of the Hurricane Katrina MSCA mission for:
 - 7.5.1 Temporary/urgent repairs.
 - 7.5.2 Utility and engineering inspections.
 - 7.5.3 Facility rentals.
- 7.6 Power/Lighting. Includes the costs to support urgent, temporary, and emergency power generation and supply lighting in direct support of the Hurricane Katrina MSCA mission.
- 7.7 Command, Control, Communications, and Intelligence (C³I). Includes the costs to support urgent, temporary, and emergency C³I requirements in direct support of the Hurricane Katrina MSCA mission.
- 7.8 General Transportation. Includes the costs to support urgent and emergency transportation of people and things in direct support of the Hurricane Katrina MSCA mission.
- 7.9 Clean-up Costs. Includes the costs to clean-up debris, water, sewage, etc. on roads and installations in direct support of the Hurricane Katrina MSCA mission.
- 7.10 Security. Includes the costs to provide urgent, temporary, and emergency security of people, facilities, and things in direct support of the Hurricane Katrina MSCA mission.
- 7.11 Other Humanitarian Supplies. Includes the costs to provide supplies for urgent and emergency humanitarian relief in direct support of the Hurricane Katrina MSCA mission not otherwise specified.
- 7.12 Sanitation. Includes the costs to provide urgent, temporary, and emergency sanitation to prevent disease and further damage to people and property in support of the Hurricane Katrina MSCA mission.
- 7.13 Humanitarian Daily Rations. Includes the costs to provide urgent and emergency food provide humanitarian relief in direct support of the Hurricane Katrina MSCA mission. Includes Meals Ready-to-Eat.

- 7.14 **Child Care.** Includes the costs to provide urgent, temporary, and emergency child care in direct support of the Hurricane Katrina MSCA mission.
- 7.15 **Mortuary Services/Support.** Includes the costs to provide mortuary services and support in direct support of the Hurricane Katrina MSCA mission.
- 7.16 **Fuel.** Includes the obligation of funds to obtain and provide fuel in direct support of the Hurricane Katrina MSCA mission.
- 7.17 **Vehicle Rental.** Includes the costs for the urgent, temporary, and emergency rental of vehicles in direct support of the Hurricane Katrina MSCA mission.
- 7.18 **Vehicle Purchase.** Includes the costs for the purchase of vehicles in direct support of the Hurricane Katrina MSCA mission.
- 7.19 **Other Procurement.** Includes obligation of funds in the Other Procurement accounts for urgent, temporary, and emergency humanitarian relief in direct support of the Hurricane Katrina MSCA mission.
- 7.20 **Contractor Support.** Includes costs of procuring contractor services used in direct support of the Hurricane Katrina MSCA mission.
- 7.21 **All Other Supplies and Materials.** Includes costs of procuring, leasing, or renting miscellaneous supplies or materials used during the Hurricane Katrina MSCA mission. Includes general support and administrative equipment not identified in another category.

**Instructions for the
Analysis of Hurricane Katrina Support Costs
Component Monthly Cost Report**

Each DoD Component is required to review and validate that their reported costs are accurate and a fair representation of ongoing activities. To document this validation, footnotes will be prepared and included with each Component's monthly report submitted to the Defense Finance and Accounting Service – Denver. The footnotes are broken into two parts: Part 1, Variance Analysis, which requires an explanation of any line that exceeds the maximum variance. Part 2, Alternate Sources of Data, which requires an explanation of all alternate sources of the data, other than official accounting systems. The format for preparing the footnotes is included at the end of this appendix.

Part 1. Variance Analysis.

- A. Each month, DoD Components are required to review and validate the accuracy of their reported costs. As part of this review, each Component shall review and analyze reported Hurricane Katrina costs and explain any significant variances reported in the footnotes.
- B. Although footnotes are only required at the component level (i.e. Army), analysis should be performed for each funding appropriation. A significant variance identified for an appropriation may warrant inclusion in the footnotes, even though the total variance for that operation does not exceed the maximum variance.
- C. Specific analysis criteria are provided to determine acceptable variances. All negative variances (a reduction from the previous month) must be explained.

Military Personnel:	10%
Civilian Personnel:	15%
Personnel Support:	20%
Operating Support:	25%
Transportation:	20%
Working Capital Fund Support:	15%
Humanitarian:	20%

- D. The Military Personnel costs should correlate to the actual number of troops deployed in support of Hurricane Katrina operations. As an additional validation, the Military Personnel costs should be divided by the appropriate composite or entitlement rate to calculate the representative number of individuals for that line. For payroll costs, use

the authorized composite rates. For special pay items, use the actual entitlement rate. The representative number, when compared to the actual troop strengths for that operation during the month, will substantiate that the costs reported are reasonable.

E. Footnotes should include an explanation for each line that exceeds the variance. To assist in preparing the analysis, each Component is encouraged to direct their Sub-Components to follow the same criteria for their related costs. This explanation should include:

- Amount of the variance.
- Cause for the variance – describe the actions that caused costs to exceed the variance. What was the purpose and effect of the actions? What organization or activity benefited from these actions? Include values of related factors affecting the variance.
- Funding source – is the cause funded by FY05, Title IX, etc.
- Name and phone number of individual responsible for analysis and reporting of the costs associated with the variance.

F. An Example: Other Supplies & Equipment. Increased spending of \$XX in sundry items was due to ### (number) of additional troops deployed to Xth Army Division Z. Funded by FY05. POC: MAJ James Smith, Major Command, (555) 555-1234.

Part 2. Alternate Data Source.

A. To the fullest extent possible, actual cost data as recorded in the accounting systems (or subsidiary accounting records such as entitlement or payroll systems) should be reported. In circumstances where the accounting system is not the sole source, each Component will document, at the lowest level, any alternate data sources and methodologies used for reporting costs. This should be identified by Cost Category line. This information will be submitted monthly in the footnotes for the corresponding cost report and, at a minimum, should provide the following information:

- Type or description of cost.
- The percentage of these costs to the total line value.
- An explanation as to why the data is not available in the accounting system.
- The criteria used to calculate the costs.
- An explanation of the methodology used to calculate the costs.
- The mechanism used to track these costs (spreadsheets, database, etc).
- Name, organization, and phone number of the individual responsible for calculating and reporting these costs.

An Example: Operations Costs – Flying Hours. “Flying Hours” are not available in the accounting or entitlement systems and must be obtained from supplemental sources. The number of flying hours is provided by the XXXXXX system. The number of hours is multiplied by the composite rate of \$X.XX cost per hour. COL John Doe, SVCS Budget Office, (555) 555-1234.

**FOOTNOTES TO
HURRICANE KATRINA
REPORTING PERIOD – as of Month, Day, Year
DoD Component Name or Acronym**

Part 1 – Variance Analysis. Provide an explanation for each line that exceeds the allowed variance. Identify which funding appropriation caused the variance. If multiple factors and organizations impacted the variance, explain them all. Please include the name, phone number, and organization of the individual(s) providing the explanation.

(Report only those lines that exceed the variance.)

Reserve Components Called to Active Duty: (Explanation of variance.)

Special Pay or Allowance: (Explanation of variance.)

Part 2 – Alternate Data Source. Describe all alternate data sources and processes for capturing costs not available from an accounting system (or entitlement system). Include the name, phone number, and organization of the individual responsible for identifying and capturing these costs.

(Report only those lines where an alternate data source was used.)

Reserve Components Called to Active Duty: (Explanation of variance.)

Special Pay or Allowance: (Explanation of variance.)