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Cost recovery for COVID-19-related costs

Public utilities



There may be multiple avenues of potential financial recovery through the Federal Emergency Management Agency (FEMA), the Department of Housing and Urban Development (HUD), and other granting agencies.

It is crucial to start tracking costs now at a level of detail that can be analyzed for recovery later — costs may be eligible starting 20 January 2020.

Impacted organizations should consider the following steps:

- Establish clear roles, responsibilities and procedures for document organization, collection and review
- Assess the plan for coordinating virtual teams and maintaining electronic documentation
- Understand the scope of activities being performed across your organization
- Establish unique project numbers, activity codes and descriptions for tracking costs based on what makes sense for your organization
- Create activity logs that can be used to track qualitative information needed to support costs incurred
- Communicate, implement and train employees on the process
- Establish reporting dashboards and summaries to understand the financial impact and costs
- Encourage leadership to set the tone that costs are to be tracked

Key risks

- Not applying for available funding
- Failing to identify and track costs that may be eligible
- Failing to receive reimbursements as a result of a lack of documentation
- Potential clawbacks for failure to comply with funding requirements
- Fraud, waste and abuse

Examples of potential costs to track

Labor

Emergency operations center activities

- Call center activities
- Health and safety training
- Communications
- Sanitizing and disinfecting of facilities
- Supply chain activities: logistics, procurement, storage, donated resources, temporary and/or enhanced facilities coordination
- Distribution of consumable supplies
- Medical disposal
- Childcare for critical staff
- Security
- Standby/sleep time/meal time per labor agreements
- Time associated with grant management activities
- Procured services (i.e., contracted labor)
- Donated labor

- Temporary facilities and associated furniture
- Official vehicle usage
- Generators, light towers, tents for essential services
- Use of mobile command center
- Purchased equipment and technology
- Leased equipment
- Donated equipment

Supplies, materials and other costs

- Personal protective equipment
- Disinfectant and cleaning supplies
- Emergency operations center supplies
- Medical and testing supplies
- Signage and checkpoint supplies
- Training supplies
- Food and meals
- Water and ice
- Lodging
- Other consumable supplies
- Donated materials, goods and supplies
- Remote work facilitation and disruption to workplace costs

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Cost category	Information/documentation to be tracked and maintained		
Applicant labor	<ul style="list-style-type: none"> Employee information: name, unique ID, job title and function, employee type (exempt, nonexempt, temporary, etc.), hourly rate (standard or overtime) and fringe rates 	<ul style="list-style-type: none"> Number of hours worked by day and description of work Time sheets Payroll register and proof of payment 	<ul style="list-style-type: none"> Daily logs and activity reports that employee name, hours (standard and overtime), date and description of work Pay policy and union agreements
Applicant equipment	<ul style="list-style-type: none"> Equipment information: description, year, make, model, size/capacity (e.g., generators) Usage logs: number of hours used by day and purpose of use, location and operator name or point of contact Schedule of rates (FEMA rates may be used) 		
Supplies from stock	<ul style="list-style-type: none"> Historical cost records Inventory records Material logs: type of supplies and quantities used by day, purpose of use and location 		
Procured services, equipment, supplies, and other purchases	<ul style="list-style-type: none"> Procurement policy Quote or bid documents Justification memo that details the use of exigent or emergency exceptions, if applicable Cost and price analysis demonstrating that costs are reasonable Contracts and change orders 	<ul style="list-style-type: none"> Invoices to include supporting documentation per the contract Time and materials contracts: oversight documentation Lodging costs: folio, date and occupant name Meals: itemized receipt, date and listing of personnel 	<ul style="list-style-type: none"> Proof of payment
Mutual aid	<ul style="list-style-type: none"> Written agreement Services requested and received 	<ul style="list-style-type: none"> Invoices to include supporting documentation as per the written agreement 	<ul style="list-style-type: none"> performed and applicable details Proof of payment
Donated resources	<ul style="list-style-type: none"> Track all donated resources to the same level of detail for applicant labor, equipment and supplies For equipment and supplies, maintain a listing of donors (e.g., company or individual) 		

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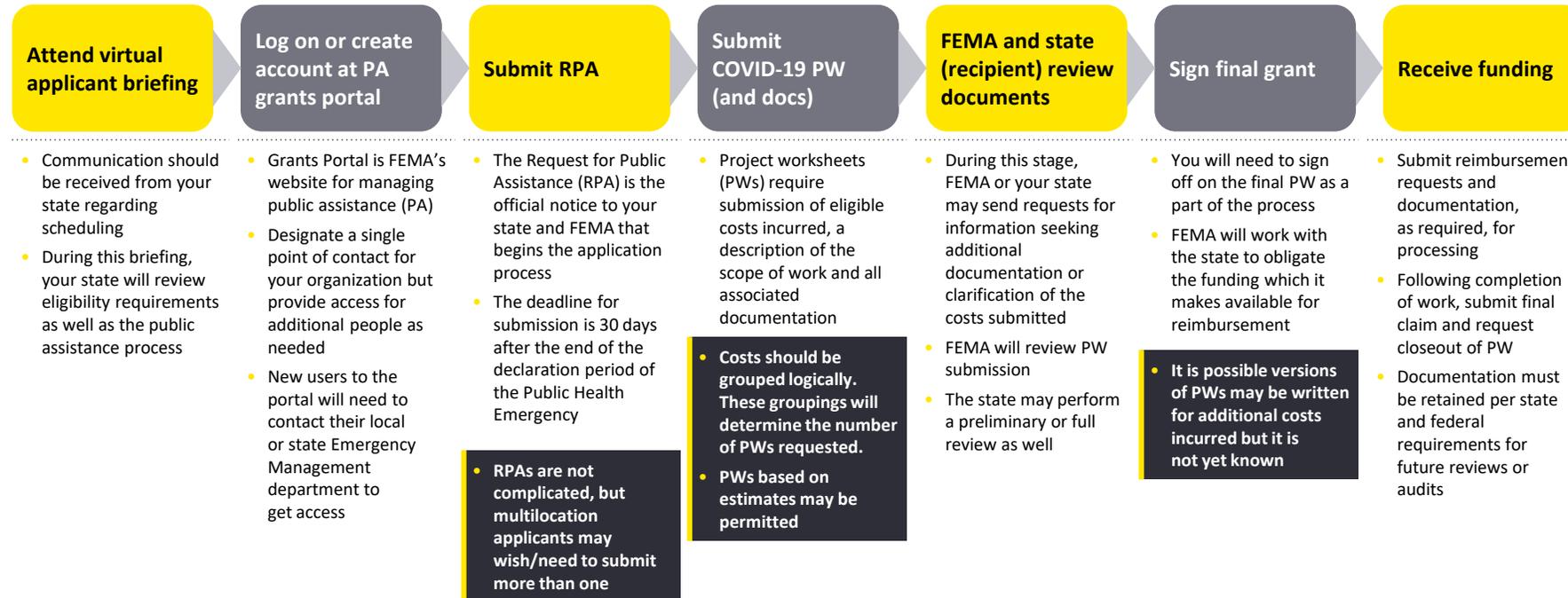
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COVID-19 financial recovery

Federal Emergency Management Agency (FEMA) Category B “Emergency Protective Measures” simplified funding process



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