

SECTION 6

FUNDING

6-1. EPA Superfund Program. Funding for the EPA Superfund program is provided from EPA with an IAG EPA Form 1610-1. All IAGs from EPA are forwarded to the HTRW CX for review to ensure compliance with the EPA/USACE National IAG. The HTRW CX is the central POC for funds tracking of the Superfund program and maintains a sole source database of all Superfund IAGs. Accounting information for the IAG will be assigned by the HTRW CX. Once the review is complete and accounting data assigned, the IAG will be forwarded to the performing USACE district for acceptance. The regulations governing the transfer of funds between the EPA and USACE can be found in ER 1110-2-500, "Corps/EPA Superfund Program Funding and Reporting Requirements."

a. The direct fund cite/revised reimbursable funding method for the Superfund program was implemented for IAGs issued after 1 Oct 91 and which provide for the following activities:

- (1) RD;
- (2) RA; and
- (3) rapid response.

b. The scope of work section of the IAG will specify a total dollar amount for direct fund site (for contract payments) and a total amount for revised reimbursable (for in-house payments). Each amount represents a limitation, and the funds are not interchangeable.

c. The direct fund cite/revised reimbursable method does **not** apply to the following:

- (1) Existing IAGs accepted prior to 1 Oct 91 or any amendments to those IAGs;
- (2) Blanket (generic) IAGs and related work authorization forms;
- (3) Technical assistance (RI/FS, phase I, enforcement, O&M, state lead), 5-year reviews, and site assessments;
- (4) Real Estate; and
- (5) VE and cost estimating.

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d. Direct Fund Cite Method: Contracts awarded with direct fund cite funding will cite the EPA Appropriation, 68/20X8145, and will identify the EPA Cincinnati Financial Management Center (CFMC) as the payment office. A copy of the contract documents and signature cards (for personnel authorized to approve contractor's requests for payment) must be forwarded by the USACE district procurement office (responsible for the RA contract award) to EPA at the following address within two weeks of award. Copies of all contract modifications will also be distributed to EPA CFMC and to the EPA RPM. All contract documents forwarded to EPA CFMC will use a transmittal sheet and must include the IAG number, site name, contractor's name, contract number, fund cite, amount, statement of award, and Contracting Officer's dated signature. CFMC will acknowledge receipt of the transmittal within three days after receipt:

Environmental Protection Agency
Cincinnati Financial Management Center
Cincinnati, OH 45268-7002

The construction division at the executing district will coordinate with the procurement office and establish proper procedures and delegate responsibilities to ensure that the signature cards and copies of future contract modifications are forwarded to CFMC and to the EPA RPM in a timely manner.

(1) The original ENG Form 93, Payment Estimate - Contract Performance, will be express mailed by the USACE district billing office to the following address with a transmittal sheet within two business days of signature:

Environmental Protection Agency
Cincinnati Financial Management Center
Attn: Accounting Operations, Suite 300
4411 Montgomery Road
Cincinnati, OH 45212

A copy of the signed payment estimate will be clearly marked "COPY" and forwarded separately to the EPA RPM. The final payment estimate will be clearly marked "FINAL" and will be forwarded by the USACE PM to the EPA RPM and to CFMC. The EPA RPM must approve the contractor final payment estimate before CFMC makes the payment. EPA will comply with the guidelines established by the Prompt Payment Act and will make the payment to the contractor. (A sample of ENG Form 93 is included in ER 37-2-10, "Accounting and Reporting Civil Works Activities.")

(2) In the case of indefinite delivery type contracts using the direct cite method, a payment estimate will address one delivery order only. If a contractor has performed work on

more than one delivery order during a billing period, each delivery order will require a separate ENG Form 93.

(3) For Direct Fund Cite contract awards subject to a Defense Contract Audit Agency (DCAA) audit, such as a Total Environmental Restoration Contract (TERC) delivery order contract award, a Public Voucher for Payment (SF1034) is signed and certified by the USACE Contracting Officer's Representative (COR).

(a) The contractor's request for payment will be reviewed, certified by the billing office and express mailed to the cognizant audit office (DCAA, EPA, or other cognizant audit agency). Refer to the Memorandum of Agreement (MOA) between DCAA and USACE for USACE Civil Works Funded Contracts under Appendix F. This agreement changes yearly. The HQUSACE Audit office issues a memorandum to all audit and procurement offices at the districts that contain the annual financial agreement (hourly billing rate) between DCAA and USACE.

(b) A cover letter will be used by the billing office for transmittal of the SF1034 to the cognizant audit office. The letter will identify a POC with a telephone number, the contract number, contractor name, pay estimate number, and identify the EPA CFMC as the payment office. The cover letter will request the audit office to express mail the approved payment request directly to CFMC at the address shown under paragraph d.(1) above.

(c) The cover letter to the audit office will be copy furnished to CFMC to monitor receipt of the payment request. If CFMC does not receive the approved request within 14 days of receipt of the copy-furnished cover letter, the POC identified in this letter will be contacted. Requests for payment received in EPA without the audit office certification will be returned to the POC. EPA will not forward documents to the audit office.

(4) The contractor earnings (during the reporting period) and a summary of the contractor's activities will be reported in the monthly status report (which accompanies the SF 1080 for in-house billings). The monthly status report will be submitted by the USACE PM to the EPA RPM as standard procedure.

(5) Contract financing payments made under cost-type contracts are not subject to interest penalties for payment delays per Paragraph (b) "Contract Financing Payments" of FAR 52.232-25(b)(4), "Prompt Payment" (Mar 94), and 52.232-27(b)(2), "Prompt Payment for Construction Contracts." "Contract Financing Payments" means a government disbursement of monies to a contractor under a contract clause or other authority prior to acceptance of supplies or services by the government. Final payments fall under "Invoice Payments" and are subject to interest penalty assessment. "Invoice Payments" means a government disbursement of monies to a contractor under a contract or other authorization for supplies or services accepted by the government. This includes payments for partial deliveries that have been accepted by the

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government and final cost or fee payments where amounts owed have been settled between the government and the contractor. Although contract-financing payments are not subject to interest penalty for payment delays, every effort should be made to expedite payments to contractors.

e. Revised Reimbursable Method (for in-house activities). With the direct fund cite/revised reimbursable method of payment, the revised reimbursable funding is limited to in-house activities such as labor, travel, small purchase orders and other miscellaneous in-house costs. The USACE district will forward a monthly **certified** SF 1080 billing (signature cards for personnel authorized to approve request for payments for in-house activities are required for EPA files) with a status report (see paragraph d.(4) above) to the following address:

Environmental Protection Agency
Cincinnati Financial Management Center
Cincinnati, OH 45268-7002

EPA will process a payment to USACE within 5 days of receipt of the SF 1080 billing. The USACE PM will provide a copy of the SF 1080 billing and status report marked "COPY" to the EPA RPM. The EPA RPM will discuss any discrepancies with the USACE PM, and any mutually agreed adjustments will be documented in a memorandum from the EPA RPM to the USACE PM. The final SF 1080 billing must be clearly marked "FINAL" and will be approved by the EPA RPM before the payment is processed.

f. IAGs Not Funded Under Direct Fund Cite/Revised Reimbursable Method. For any EPA Superfund IAGs that are **not** funded under the direct fund cite/revised reimbursable method, the revised reimbursable method and SF 1080 billing system will be used for processing contract payments and payment for in-house activities. The certified SF 1080 billing and status report procedures, as stated in paragraph e. above, will apply.

6-2. DERP Program. DERP funding generally follows the same financial guidelines as other defense programs. Funding for DERP programs are provided from the Defense Environmental Restoration Account (DERA). Although these are "no-year" appropriations, they are transferred to other service accounts for obligation purposes. Once transferred, the funds take on all the characteristics of the appropriation to which they are transferred. Therefore, environmental restoration account funds transferred to the O&M, Army appropriation have a one-year life and will expire at the end of the fiscal year, unless the funds have been obligated by contract award.

a. Army Installation Restoration Program. The Major Army Command (MACOM) manages funding for the IRP program. All project funding requests must be submitted by the PM to the installation and forwarded through their MACOM for approval. Once approved, the MACOM will either authorize the installation to MIPR the funds to the district or send the request to the HTRW CX to prepare the Work Authorization Directive (WAD) and distribution

of the funds by Funds Authorization Document (FAD) through HQUSACE. Once the FAD is received, funds are obligated and expended the same as other direct funded programs. Contingency funds (2 percent of the contract at award) will be provided on contracts awarded for \$5 million or more. For contracts less than \$5 million, no contingency will be provided. Additional funds will be provided on an as-needed basis. All fund requests should be processed through the PM.

b. FUDS. FUDS program managers at the divisions control the distribution of funds allocated by CEMP-RF. Accounts are established in the HQUSACE budget office for each division (quarterly) based on requirements stated in the DERP-FUDS workplan. Division program managers will then determine the amount of in-house and contract funding to issue to their districts and to Huntsville for the execution of OEW projects. No contingency funds are provided for FUDS projects. However, divisions have complete flexibility in transferring funds among approved projects as deemed necessary.

c. Fiscal Year-End Closing. In early September of each FY, funding (including S&A) on all DERP projects must be reviewed and excess funds returned. Excess funds must be returned to the DERA account to avoid expiration. Funds left in the O&M, Army appropriation and similar accounts will expire. The RE should identify the needs of the project to the funding district (particularly during the beginning of the FY) in order to ensure that sufficient funds are made available for continuous operation.