

ARC - ACTIVITY REPORTING AND COSTS

3865

(No. 16 March 2002)

The ARC is the key element in the cost recovery package. In this capacity the most common use is for listing those fire suppression costs which are reimbursable under agreements with other agencies (i.e., United States Forest Service, Bureau of Land Management, Bureau of Indian Affairs, National Park Service, etc.) and for civil cost collection. The ARC also will be used as the supporting document for claiming reimbursement for non-fire activities of CAL FIRE, such as responses to floods, earthquakes, driving under the influence incidents, hazardous materials spills, search and rescue operations, and for application of federal disaster assistance funds (FEMA).

DESCRIPTION OF THE ARC

3865.1

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The ARC Report summarizes the resource cost information that supports billings for responses by the Department to emergency incidents. The detailed information that is summarized in the ARC is entered at the Unit level and throughout various parts of the accounting process. The ARC along with the supporting documentation is part of the cost recovery package that is forwarded by the Units to the respective Region Cost Recovery Office, then to the Departmental Accounting Office. The originating Unit retains copies of all supporting documentation.

GENERAL REQUIREMENTS

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(No. 16 March 2002)

WORKSHEET DOCUMENTATION

3865.2.1

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REIMBURSEMENT RATES

3865.2.2

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Reimbursements for many items that will be billed are based on average annual rates. The rates are developed at certain intervals and published in the [3900 Rates Procedures Handbook](#) and distributed to users of the ARC Program. These rates include rates for CAL FIRE employees and equipment.

MATCHING INCIDENT DATES TO APPLICABLE RATES **3865.2.3** (No. 16 March 2002)

The effective dates of each applicable reimbursement rate must coincide with the incident period being billed. In other words, the effective date of the rates must agree with the dates of the incident that is being billed. The use of incorrect rates is a common and serious error. Always verify that applicable rates are reflected in the ARC.

REIMBURSEMENT GUIDELINES **3865.2.4** (No. 16 March 2002)

With the exception of specific agreements with other agencies or Federal Disaster Assistance for emergencies, the following are guidelines for ARC preparation. See also [Sections 3864.1.1 and 3864.1.2](#) for claim policies related to federal agreement reimbursements.

Claim:

- CAL FIRE personnel and equipment, per the FC-33, assigned to the incident with an order and request number. For federal agreement reimbursements, this includes resources diverted or canceled en route.
- All pickup labor paid for by fire time check (gross wages).
- All contract labor used directly on the incident. In essence, the total cost on FC-77 (CDC, CYA, CCC).

REMINDER: Other state agencies may submit invoices for base time only when the incident will result in reimbursement to the state. On routine incidents where CAL FIRE will not be reimbursed, other state agencies may submit claims only for added costs, e.g., overtime. See [Sections 3823.1 and 3863.2.3](#) for governing policy.

- All services and supplies purchased with state funds and consumed on the incident. For federal agreement reimbursements, charge actual retardant gallons dropped, including aborted retardant loads.
- All rented equipment.

- All costs incurred other than pre-planned resources designated as initial attack on the wildland response card and agreed to as mutual aid in the operating plan are billable unless the Mutual Aid resource(s) was (were) used for less than 24 hours. If the Mutual Aid resource was used for more than 24 hours, then bill from time of dispatch. Do not bill for voluntary contributions. OES and local government equipment is billable after the mutual aid period. Check current OES agreement for the mutual aid period.
- All costs to repair tools and equipment damaged over and above “normal wear and tear” while used on the incident.
- Replacement value of tools and equipment lost or damaged beyond repair when such loss or damage is a direct result of the incident. Includes replacement of rented equipment.
- All other costs which are a direct result of the reimbursable activity.

NOTE: All claims entered on an ARC must be supported by appropriate documents, i.e., CAL FIRE 61's, FC-11s, FC-33s, FC-77s, etc.

Do Not Claim:

- CAL FIRE personnel and equipment if not assigned to the incident with an order and request number. This includes, but is not limited to, such personnel as (air or ground damage assessment activities) fire lookouts, ECC employees, administrators and specialists whose activities are not directly involved with the incident. (Move-up and cover are also included unless the responsible agency agrees to pay.)
- Normal wear and tear repair costs for hand tools, automotive equipment, chain saws, pumps and similar equipment.
- Separate operational costs for miscellaneous support equipment, such as radios, light plants, battery chargers and similar equipment, except when such equipment must be rented by the state or is covered by an agreement.
- Services, assistance, equipment or supplies which may have been used on the incident, but were furnished at no cost to the state.
- Supplies and materials which were ordered against an incident, but were not used on the incident (retrograde).

- Items returned from an incident after retrograde or demobilization which are unused or usable.
- Any claim for which there is no supporting document.
- Bulk retardant.
- Gas and oil for CAL FIRE and federal government vehicles.

**EXTRAORDINARY EXPENSE
- DOCUMENTATION REQUIREMENTS**

3865.2.5

(No. 16 March 2002)

Extraordinary items of expense, or normal items with an unusually high cost, require a written explanation attached to the claim. These explanations will be reviewed by the region offices and the Departmental Accounting Office for reasonableness. Items which do not appear to fit the Emergency Fund policy set out in Section 3821.9 will require additional justification. Items judged not appropriate for both cost recovery **and** the Emergency Fund will be charged to the incident unit's operating budget. Examples of items which may be questioned are carpet cleaning, pest control services, purchase of recreational equipment, cell phones, office chairs, etc.

HOW TO COMPLETE REPORT

3865.3

(No. 16 March 2002)

The ARC is always initiated at the Finance Section or Unit Level. Following are guidelines for determining what information should be entered in certain categories.

The individual authorized to initiate the ARC in the Finance Section or Unit will manually enter all figures from pay documents that are not reflected in the various accounting programs (the documents are generally the FC-33's and Aircraft reports (CAL FIRE 61's and AIMS)). All other pay information can be "brought into" the ARC through existing accounting programs.

When this initial ARC is complete, it will be electronically transferred to the Region Cost Recovery Office. All supporting documentation will also be sent to the Region Cost Recovery Office.

Upon Region review, the ARC will be electronically transferred to the Department of Accounting Office (DAO). All necessary support documentation will be sent to the DAO.

SCHEDULE A IN COUNTY

3865.4

(No. 16 March 2002)

Under certain circumstances, CAL FIRE will reimburse local agencies for certain costs recovered for Schedule A in-county resources used on an SRA or federal incident. To determine which Schedule is appropriate (A or B) comply with the following rules:

- All overtime for CAL FIRE employees whose base time is charged to Schedule A is to be included on as Schedule B. Overtime on SRA or federal fires is charged directly to the EFunds, not to the local Schedule A contract, and is therefore a Schedule B reimbursement.
- Schedule A resources from another county are noted as B in the ARC, since no reimbursement will be made to those counties.
- Expenditures in the ARC are not tracked to the individual Schedule A agreements. It is the responsibility of the local unit to track the resources by contract in order to reimburse the correct Schedule A contract, should costs be recovered. The responsible unit must allocate any receipts collected to the appropriate contracts.

Example:

A fire occurs in Butte County on SRA. A Schedule A engine from Nevada-Yuba-Placer Unit is dispatched. The schedule entered in the ARC for this resource, both for personnel and equipment, will be "B." Another Schedule A engine from Butte is dispatched to the same fire. The straight time for the Schedule A personnel on the Butte engine and the engine would be coded to "A" in the program and the overtime would be coded to "B."

ASSISTANCE-BY-HIRE HELICOPTERS**3865.5**

(No. 16 March 2002)

When CAL FIRE helicopters are the only resource responding to another agency's incident, the helitack captain is the agency representative and is responsible for preparing all necessary documents for billing, including the [FC-33](#) and the Automated Helitack Field Report (formerly FC-81). The ARC will be submitted within the time frames outlined in Section 3864.8. This type of incident must also be recorded as a reimbursable incident on the monthly Billable Incident Tracking Log that is submitted to Sacramento Headquarters per Section 3864.5.

OUT-OF-STATE ORDERS**3865.6**

(No. 16 March 2002)

The agency representative on out-of-state orders is responsible for ensuring that all expense documents (SPO, gasoline credit card receipts, etc.) are collected daily. Expenditure documents must be mailed to Sacramento Headquarters (attn: Departmental Accounting Officer) at least once every seven days. The agency representative is also responsible for ensuring that the cost recovery package is prepared accurately and completely in a timely manner, per policy in [Section 3814](#).

Out-of-state subsistence allowance guidelines are as follows: Lodging will be reimbursed for actual expenses, supported by vouchers. Failure to submit lodging vouchers will limit reimbursement to the in-state MOU rate. Meals and incidental expenses are reimbursed per the applicable MOU.

The ARC for out-of-state incidents is subject to the same time frames and considerations provided in Section 3864.8. Emergency Fund estimates will be required if the criteria in [Section 3861.3.3](#) are met.

LOCAL GOVERNMENT RESOURCES

3865.7

(No. 16 March 2002)

These instructions apply to local government personnel and equipment not ordered through OES. For OES-ordered resources, see Section 3865.8.

- If CAL FIRE uses local government forces, the local entity may present a billing document to CAL FIRE.
- CAL FIRE will verify the local entity's billing for correctness and then issue an ARC for the correct amount.

CALIFORNIA OFFICE OF EMERGENCY SERVICES

FORM F-142

3865.8

(No. 16 March 2002)

- If CAL FIRE uses OES dispatched equipment on an incident, the OES-ordered personnel must record their times using the OES-F42 (Emergency Activity Record). See [Section 3837](#).
- Upon returning home, the OES-F42 is forwarded by the local entity to OES Headquarters in Sacramento where an OES Form F-142 (Invoice Reimbursement Claim) is prepared that shows the actual monetary charges for the equipment used.
- OES forwards the F-142 to the local entity in charge of the equipment used, for verification and signature. The local entity returns it to OES who then forwards it to the responsible (paying) agency.
- Sacramento DAO sends the F-142 to the appropriate administrative unit after processing and payment.
- **PLEASE NOTE:** Units are responsible for auditing the F-142 not only to determine whether the basic activity information is correct, but also to determine whether any CAL FIRE personnel were used to staff the engines. CAL FIRE staff should be deleted as a cost item from the F-142.

BILLING INSTRUCTION FOR FEMA ELIGIBLE INCIDENTS

3865.9

(No. 16 March 2002)

Please note that FEMA audit requirements are more stringent than those for other federal billing packages. All claims must be backed by appropriate supporting documents, and paying documents must be originals or carbon copies. Photocopies of paying documents are **NOT** acceptable. FC-33s **must** be originals.

One of the requirements on FEMA incidents is that the actual total cost of the incident must be reported to the Department of Finance by CAL FIRE. The ARC must be prepared following the instructions for preparing a federal reimbursement agreement billing package. However, in this case all supporting documents must be sent to the DAO. The DAO must audit the final ARC in order to assure that it meets FEMA requirements.

When incidents are FEMA eligible, move-up and cover costs can also be billable. This requires the Unit to prepare a separate ARC with associated documentation for move-up and cover costs that are related to the FEMA eligible incident. **Move-up and cover costs must be supported by original FC-33's.**

SPECIFIC AGREEMENT REIMBURSEMENT REQUIREMENTS

3865.10

(No. 16 March 2002)

Reimbursement provisions in existing agreements or contracts may supersede any general instructions in this chapter, but may not supersede governing policy set out in the Cooperative Fire Protection Agreement. The following is an example of an exception to the general instructions contained in Section 3865.2.4.

On joint incidents (federal/state), if a private party is responsible for a fire; both a federal and civil ARC must be completed. The federal ARC must be routed through the Region Office to the DAO. The civil ARC is routed according to the directions in the 9400 Law Enforcement Handbook, [Section 9428 9429](#).

[\(see next section\)](#)

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[\(see Forms or Forms Samples\)](#)