

COVID-19 Financial Recovery
Force Account Labor

CAPH
May 2020



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Logistics

- All participants are **MUTED** upon entry and we ask that you stay muted until the Q&A portion of the presentation
- This presentation is being recorded and will be available for members shortly after this meeting.
- Previous webinar slides and recordings can be found at:
<https://safetynetinstitute.org/member-portal/programs/finance-resources/covid-19-fema-training/>

Training Series

Tentative Timeline	Proposed Topics
Friday, May 15	Introduction to FEMA Public Assistance (PA) Program
Thursday, May 21	Contracts and Procurement
Friday, May 29	Force Account Labor
Friday, June 5	Force Account Equipment
Thursday, June 11	Donated Resources
Friday, June 19	Question & Answer Session

Agenda

- **Overview of Force Account Labor**
- **Employee Types**
- **Eligible Labor Activities**
- **Key Supporting Documentation**
- **Major Areas of Review**
- **Management Costs**

Force Account Labor

Overview

- FEMA refers to the Applicant's personnel as "force account".
- FEMA reimburses force account labor based on actual hourly rates plus the cost of the employee's actual fringe benefits.
- FEMA calculates the fringe benefit cost based on a percentage of the hourly pay rate. Because certain items in a benefit package are not dependent on hours worked (e.g., health insurance), the percentage for overtime is usually different than the percentage for straight-time
- Under FEMA, labor costs must be related to eligible activities. Currently, only overtime is eligible for all budgeted employees. Unbudgeted employees straight time and overtime is allowable if the time is spent on eligible activities

Employee Types

Budgeted vs. Unbudgeted Employees

	Budgeted	Unbudgeted
Examples	<ul style="list-style-type: none"> • Permanent Employee • Seasonal employee working during normal season of employment 	<ul style="list-style-type: none"> • Essential employee called back from admin leave • Permanent employee funded from external source • Temporary employee hired to perform eligible work • Seasonal employee working outside normal season of employment
Straight-Time Eligible?	NO	YES
OT eligible?	YES	YES

Employee Types

Reassigned Employees and Backfill Employees



Reassigned Employees

- FEMA provides PA funding based on the reassigned employee's normal pay rate, not the pay level appropriate to the work.
- Straight-time of a permanent employee funded from an external source is eligible if the employee is reassigned to perform eligible work that the external source does not fund.



Backfill Employees

- Applicant's may need to temporarily replace an employee who is responding to the incident.
- Overtime costs for backfill employees are eligible even if the backfill employee is not performing eligible work as long as the employee he/she is replacing is performing eligible work.
- Straight-time for backfill employees is eligible if the backfill employee is:
 - Contracted or temporary employee
 - Permanent employee called in on a normally scheduled day off

Employee Types

Supervisors, Other, and Stand-by Time



Supervisors

- Second-level supervisors and above are usually exempt employees and are not directly involved in the performance of a specific project.
- Therefore, overtime is usually not eligible



Other

- Administrative leave or similar labor costs incurred for employees sent home or told not to report due to emergency conditions are not eligible.



Stand-by time

- FEMA provides funding for costs related to stand-by time incurred in preparation for and directly related to actions necessary to save lives and protect public health and safety.

Eligible Labor Activities

Emergency Medical Care

Emergency Medical Care
<i>Purchase and distribution/use of medical supplies & equipment including:</i>
In vitro diagnostic supplies
Personal protective equipment including: respirators, N95 respirators, medical gloves, surgical masks, medical gowns, coveralls, face shields, and other PPE (please describe)
Documentation systems
Ventilators and products modified for use as ventilators
Therapeutics
Others - Please Describe:
<i>Provision of medical services including:</i>
Disease testing
Treatment
Diagnosis
Emergency medical transport
Medical waste disposal
Other - Please describe:
<i>Enhanced medical facilities including:</i>
Alternate Care Sites or other temporary facilities
Expansion of capacity within an existing medical facility
Community-based testing sites
Other - Please describe:

Eligible Labor Activities

Additional Activities

Management, control, and reduction of immediate threats to public health and safety
Emergency operations center activities
Training
Facility disinfection
Technical assistance on emergency management
Dissemination of information to the public to provide warnings and guidance
Pre-positioning or movement of supplies, equipment, or other resources
Purchase and distribution of food, water, or ice
Purchase and distribution of other commodities
Security, law enforcement, barricading, and patrolling
Storage of human remains or mass mortuary services
Other - Please Describe:
Sheltering
Isolation-related temporary lodging
Quarantine-related temporary lodging
High-risk population sheltering
Healthcare worker and first responder temporary lodging
Household pet or assistance animal or service animal sheltering
Other - Please Describe:
Other - Please Describe:
Other Activity. Please Describe:

Key Supporting Documents

Overview

- Applicants must provide the items below:
 - Employee listing (name / unique ID, job title & function, employee type (exempt, non-exempt, temporary, etc.), hourly rate (ST / OT), & fringe rates
 - Labor policies/union agreements
 - Pay rate(s) and fringe benefit rate(s)
 - Fringe benefit calculations
 - Daily logs or activity reports
 - Signed timesheets and overtime approval forms
 - Proof of payment/payroll register
 - If the applicant has not been able to provide the above items such as daily logs or activity reports there may be other means to obtain the information
 - Multiple pay policies may be applicable

Key Supporting Documents

Streamlined Project Application: Employee Time

<input type="checkbox"/> Labor. Including the Applicant's own staff, mutual aid, prison labor, and National Guard.	Cost \$ <input type="text"/>
<p>Please enter the total cost of labor. To calculate the total cost, complete FEMA Form 009-0-123 Force Account Labor Summary and FEMA Form 009-0-128 Applicants Benefit Calculation Worksheet or provide all information contained therein.</p> <p>Please also provide:</p> <ul style="list-style-type: none"><input type="checkbox"/> Justification for any standby time claimed<input type="checkbox"/> Labor pay policy (must cover each employee type used, for example part time, full time, and temporary)<input type="checkbox"/> National Guard pay policy (required for National Guard)<input type="checkbox"/> Mutual aid agreement (required for mutual aid labor)<input type="checkbox"/> Timesheets (please provide either (1) a summary list of all your timesheets, which FEMA will sample and request copies of a limited number of time sheets; or (2) a sample set of timesheets and a detailed explanation of the sampling methodology you used to select the representative sample)<input type="checkbox"/> Daily logs or activity reports (please provide either (1) a summary list of all your logs or reports, which FEMA will sample and request copies of a limited number of logs or reports; or (2) a sample set of logs or reports and a detailed explanation of the sampling methodology you used to select the representative sample)	

- **FEMA determines the eligibility of employee time costs based on a number of factors:**
 - Work needs to be an eligible FEMA activity
 - Applicant's pre-disaster written labor policy
 - FEMA's determination of the hours worked being reasonable and necessary
 - For Emergency Work, only overtime labor is eligible for budgeted employees. For unbudgeted employees performing Emergency Work, both straight-time and overtime labor are eligible.

Key Supporting Documents

PAPPG Guidance: Employee Time

**The Applicant should submit the following to support costs claimed (not an all-inclusive list):
Applicant (Force Account) Labor and Prisoner Labor:**

For each individual:

- Name
- Job title and function
- Type of employee (i.e., full-time exempt, full-time non-exempt, part-time, temporary, prisoner, etc.)
- Days and hours worked
- Pay rate(s) and fringe benefit rate(s)
- Description of work performed with representative sample of daily logs / activity reports, if available
- Representative sample of timesheets
- Fringe benefit calculations
- Pay policy

- **Potential additional requests:**
 - Schedules from employee departments
 - Shift types worked
 - Location of facility
 - Payroll Register and/or pay stubs
 - Third-party bank statement to confirm payroll register amount ties

Key Supporting Documents

Employee Time

- **Employee Timesheets**
 - Timesheets establish that employees actually worked on the days and hours submitted for reimbursement.
 - Timesheets should include sufficient detail to be able to demonstrate that overtime costs are in accordance with the Applicant's labor policies.
 - For example, if 8 hours of overtime are claimed for an employee subject to a 40 hour overtime threshold, then that employee's timesheet should include at least 48 hours.
- **Employee Description of Work Performed**
 - Activity logs and reports establish that the costs were incurred performing disaster- related work.
 - ICS 214 activity logs are example of only one type of supporting document that can be used for tracking eligible activities, but documentation may vary by client
 - We should help the client to figure out the best tracking mechanism for providing FEMA with a description of work performed to tie costs back to eligible activities.
 - Activity logs may also be used to document equipment and materials used by employees.

Key Supporting Documents

Example: Force Account Labor (Employee Time) Summary

- Ensure that costs claimed tie to eligible activities with a focus on the hours worked tying to timesheets and rates to payroll.

CLIENT NAME										
FORCE ACCOUNT LABOR RECORD										
DISASTER NUMBER	DISASTER NAME	DATE	CATEGORY	FACILITY NAME	PROJECT WORKSHEET (PW) NUMBER					
			B							
DATE	PAY PERIOD	EMPLOYEE NAME	EMPLOYEE NUMBER/ID	TITLE	ACTIVITY DESCRIPTION	FACILITY/LOCATION	EMPLOYEE TYPE	COST CENTER/DEPARTMENT	PAYMENT GROUP	PAYMENT TYPE
2/28/2020	2/15/2020	John Doe	130115	Nurse	COVID Patient Care-Inpatient		Exempt	30140	OVERTIME	Scheduled_1_5
3/28/2020	2/29/2020	Jane Doe	12019	Billing Clerk	COVID Training/Education		Non-Exempt	30131	OVERTIME	Emergency_1_0
4/1/2020	3/14/2020	Joshua Doe	14203	Call Center Representative	COVID Crisis Call Center		Non-Exempt	28532	OVERTIME	Emergency_2_0
4/5/2020	2/15/2020	Janet Doe	13339	Janitor	Facilities		Non-Exempt	23852	OVERTIME	Emergency_1_0
4/8/2020	2/29/2020	Joseph Doe	18218	Security Officer	COVID Security Measures		Non-Exempt	36142	OVERTIME	Emergency_1_5
4/11/2020	3/14/2020	Jessica Doe	18230	Hospital Aid	COVID Patient Medical Transport		Non-Exempt	30183	OVERTIME	Emergency_1_5

- Continued



PAYMENT TYPE	PROJECT NUMBER	TASK NUMBER	HOURLY RATE	REGULAR HOURS	REG FRINGE RATE	TOTAL REG PAY	REG FRINGE PAY	TOTAL REG PAY	OT HOURS	OT FACTOR	OT PAY	OT FRINGE RATE	OT FRINGE PAY	TOTAL OT PAY	TOTAL TIME (HOURS)	TOTAL PAY
Scheduled_1_5	8004209	001.1	\$39.38	0.0	46%	\$ -	\$ -	\$ -	3.0	1.5	\$ 177.21	7%	\$ 11.87	\$ 189.08	3.0	\$ 189.08
Emergency_1_0	8004209	001.1	\$54.30	2.5	62%	\$ 135.75	\$ 84.30	\$ 220.05	0.0	1.0	\$ -	7%	\$ -	\$ -	2.5	\$ 220.05
Emergency_2_0	8004209	001.1	\$46.81	0.0	62%	\$ -	\$ -	\$ -	5.0	2.0	\$ 468.10	7%	\$ 31.36	\$ 499.46	5.0	\$ 499.46
Emergency_1_0	8004209	001.1	\$49.53	0.0	62%	\$ -	\$ -	\$ -	6.0	1.0	\$ 297.18	7%	\$ 19.91	\$ 317.09	6.0	\$ 317.09
Emergency_1_5	8004209	001.1	\$36.18	0.0	62%	\$ -	\$ -	\$ -	3.0	1.5	\$ 162.81	7%	\$ 10.91	\$ 173.72	3.0	\$ 173.72
Emergency_1_5	8004209	001.1	\$65.40	0.0	62%	\$ -	\$ -	\$ -	4.0	1.5	\$ 392.40	7%	\$ 26.29	\$ 418.69	4.0	\$ 418.69

- Note: Each company has different labor reporting system capabilities, pay policies, and pay procedures. This template captures what is needed for FAL, generally.

Key Supporting Documents

Employee Pay

- **Payroll & Pay Policies**
 - Costs submitted for reimbursement must be consistent with the amounts actually paid to employees.
 - These amounts must be consistent with the Applicant's pre-disaster written labor policies.
 - Failure to demonstrate that overtime amounts paid to employees were consistent with the Applicant's pre-disaster written labor policies is a frequent issue encountered during the cost validation process.
 - If client is not following pre-disaster labor policies due to incident, the client needs to document the necessity for extra hazard pay.
- **Fringe benefits such as health insurance that are not dependent on employee wages require additional documentation.**
 - Fringe benefits are different between regular time and overtime.
 - Requires documentation of the total annual payroll amount as well as the total amount paid for each of these benefits.

Key Supporting Documents

Example: Fringe Benefit Calculation Form

FEDERAL EMERGENCY MANAGEMENT AGENCY			
APPLICANT'S BENEFITS CALCULATION WORKSHEET			
APPLICANT	PW REF NO.	CATEGORY	DISASTER
ABC Medical Center	5883	B	4480
ENTER TOTAL ANNUAL PAYROLL			
\$11,423,087.00			
		REGULAR TIME %	OVERTIME %
Holidays	<input type="text"/>	2.31%	If the benefit is applied to the overtime fringe rate, select the proper box
Vacation Leave	<input type="text"/>	5.22%	
Sick Leave	<input type="text"/>	3.43%	
* Social Security		7.65%	
* Medicare			<input type="checkbox"/>
* Unemployment	<input type="text"/>		<input type="checkbox"/>
* Worker's Comp	<input type="text"/>	1.38%	<input checked="" type="checkbox"/>
** Retirement	<input type="text"/>	24.03%	<input checked="" type="checkbox"/>
Health Benefits	<input type="text"/>	14.15%	
Life Insurance Benefits	<input type="text"/>		
Other (Benefits Fee)	<input type="text"/>	3.15%	<input type="checkbox"/>
Total (in % of annual salary)		61.32%	33.06%
<small>(FIGURES IN BLUE AUTOMATICALLY GO TO THE FORCE ACCOUNT LAROR SHEETS)</small>			
COMMENTS:			

Major Areas of Review

- Dates and locations work is being claimed for
- Activities performed are in line with the scope of the PW
- Classification of employees that costs are being claimed for
- Job descriptions
- Signed timesheets and overtime approvals
- Hours allowable per labor policies and reimbursement
 - Ex: Do total hours per day for any employee exceed 24hrs or more than 20hrs per day for multiple days?
- Pay rates consistent with applicable policies
- Stand-by costs claimed
- The effective dates of policies
- Proof of payment
- Hours claimed tie to documentation provided
- Check that employees are not being claimed on the same dates/times for similar activities on multiple project worksheets

Management Costs

Overview

- Management costs are reimbursable up to 5% of actual eligible PA project costs, including the non-Federal share, after insurance and any other reductions (excluding donations)
- Management costs include any of the following when associated with the PA portion of major disaster or emergency:
 - Indirect cost
 - Direct administrative cost
 - Other administrative expense associated with a specific project
- A separate Category Z project needs to be submitted
- Activities related to ineligible projects are not eligible to be claimed under the management cost contribution.

Management Costs

Overview (Continued)

- Activities eligible as management costs include those related to developing eligible PA projects and receiving reimbursement. These activities may include, but are not limited to:
 - Preliminary Damage Assessments
 - Meetings regarding the PA Program or overall PA damage claim
 - Organizing PA damage sites into logical groups
 - Preparing correspondence
 - Site inspections
 - Travel expenses
 - Developing the detailed site-specific damage description
 - Evaluating Section 406 hazard mitigation measures
 - Preparing Small and Large Projects
 - Reviewing PWs
 - Collecting copying, filing, or submitting documents to support a claim
 - Requesting disbursement of PA funds
 - Training

Management Costs

Key Supporting Documents & Major Areas of Review

- **Supporting Documents:**
 - Payroll data
 - Procurement procedures
 - Contracts
 - Invoices
 - Explanation of activities performed
 - Documentation must also include information to demonstrate that costs are reasonable
- **Major Areas of Review**
 - Depending on whether activities were performed by applicant or contractor, use either Force Account Labor or Contracted Services checklist to complete validation

FEMA Resources

Document Title	FEMA Link
Public Assistance and Program Policy Guide	https://www.fema.gov/media-library-data/1525468328389-4a038bbef9081cd7dfe7538e7751aa9c/PAPPG_3.1_508_FINAL_5-4-2018.pdf
COVID-19 Pandemic: Eligible Emergency Protective Measures	https://www.fema.gov/news-release/2020/03/19/coronavirus-covid-19-pandemic-eligible-emergency-protective-measures

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Questions?



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