



OFFICE OF THE UNDER SECRETARY OF DEFENSE
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WASHINGTON, DC 20301-1100

COMPTROLLER

(Program/Budget)

MEMORANDUM FOR ASSISTANT SECRETARIES OF THE MILITARY
DEPARTMENTS (FINANCIAL MANAGEMENT AND
COMPTROLLER)
COMPTROLLERS OF THE DEFENSE AGENCIES
COMPTROLLERS OF THE DOD FIELD ACTIVITIES

SUBJECT: Cancellation of Department of Defense (DoD) Financial Management Regulation (FMR) 7000.14R, Volume 12, Chapter 6, Defense Emergency Response Fund, dated September 1996

This memorandum provides continuing guidance regarding the policies and procedures governing the Emergency Response Fund, Defense (ERF,D) pending closure of the fund pursuant to section 1555 of Title 31 U.S.C. For many reasons, it makes sense to take appropriate actions to close the ERF,D account.

Historically, the sole use of the fund has been for foreign disaster relief and not for domestic purposes as Congress originally intended. Since inception of the fund in 1996, lack of DoD resources or access to ERF,D funds has not hindered the DoD Components' ability to respond to domestic requests for assistance. In addition, the Federal Emergency Management Agency administers the Disaster Relief Fund for eligible response and recovery efforts associated with domestic major disasters and emergencies that overwhelm State resources pursuant to the Robert T. Stafford Disaster Relief and Emergency Assistance Act.

The attached guidance is effective immediately, and is applicable in lieu of the cancelled chapter should it be necessary to use the ERF,D account pending its closure. Request fund account holders to validate the accuracy of unpaid obligations and clear unmatched disbursements posted against Treasury account 97X4965 by September 30, 2014. Please direct any questions on this matter to my point of contact, Ms. Mitzi Mayes, available at Mitzi.L.Mayes.Civ@mail.mil or (703) 614-8263.

A handwritten signature in blue ink, appearing to read "John Roth".

John Roth
Deputy Comptroller

Attachment:
As stated



EMERGENCY RESPONSE FUND, DEFENSE (ERF,D)

FINANCIAL MANAGEMENT GUIDANCE

I. REFERENCES.

- A. Department of Defense (DoD) Appropriations Act for Fiscal Year 1990, Public Law No. 101-165 (P.L. 101-165), as amended, by DoD Appropriations Act for Fiscal Year 1994, Section 8131 of Public Law No. 103-139 (P.L. 103-139)
- B. DoD Directive (DoDD) 3025.18, “Defense Support of Civil Authorities (DSCA),” dated December 29, 2010
- C. DoD Directive (DoDD) 5100.46, “Foreign Disaster Relief (FDR),” dated July 6, 2012
- D. DoD Financial Management Regulation (FMR) 7000.14R at (<http://comptroller.defense.gov/fmr/index.html>)
- E. Section 1555 of title 31 U.S.C., “Closing of appropriation accounts available for indefinite periods”

II. PURPOSE.

- A. This guidance establishes the financial management policy and procedures governing the ERF,D until closure of the fund pursuant to section 1555 of Title 31 U.S.C. (Reference E). The Emergency Response Fund, Defense (ERF,D) treasury index symbol is 97X4965.
- B. The fund was initially established to prevent an adverse impact on Department of Defense (DoD) mission accomplishment that otherwise could result from the depletion of mission funds to finance disaster relief efforts.
- C. At the fund’s inception, P.L. 101-165 provided \$100 million to support disaster or emergency assistance to other Federal Agencies and to state and local governments in anticipation of reimbursable requests. Reimbursements received for the cost of DoD assistance is to be reimbursed to the fund.

III. APPLICABILITY.

- A. Applies to OSD, the Military Departments, the Office of the Chairman of the Joint Chiefs of Staff (CJCS) and the Joint Staff, the Combatant Commands, the Office of the Inspector General of the Department of Defense, the Defense Agencies, the DoD Field Activities, and all other organizational entities within the Department of Defense (hereafter referred to collectively as the “DoD Components”).
- B. Applies to the Army National Guard and the Air National Guard (hereafter referred to collectively as the “National Guard”) personnel when under Federal command and control. Also applies to National Guard personnel when the SECDEF determines that it is appropriate to employ National Guard personnel in Title 32, U.S.C. status to fulfill a request for Defense Support to Civil Authorities (DSCA).

IV. FUNDING POLICY.

- A. The funds can be used upon a determination by the Secretary of Defense (SECDEF) that immediate action is necessary in response to natural or manmade disasters. Requests for allocation from the fund must be coordinated through the Office of the Under Secretary of Defense (Comptroller) (Program/Budget) (OUSD(C)(P/B)).
- B. The DoD Components:
 - 1. May request reimbursable obligation authority for anticipated reimbursement from other Federal Departments and agencies, and from state and local governments in response to natural or manmade disasters pursuant to policy and procedures set forth in DoDD 3025.18.
 - 2. May request direct obligation authority for qualifying DoD expenses (e.g. airlift) incurred in supplying supplies or services as authorized by P.L. 101-165, as amended by section 8131 of P.L. 103-139.

V. REIMBURSEMENT.

- A. Expenditures eligible for reimbursement of costs DoD incurs in providing requested assistance are pursuant to 44 Code of Federal Regulations (44 CFR) 206.8. Under the Economy Act and Stafford Act, only the SECDEF has the authority to waive reimbursement. Examples of expenditures that may be eligible for reimbursement include:
 - 1. Overtime, travel, and per diem of permanent Federal agency personnel.

2. Wages, travel, and per diem of temporary Federal agency personnel assigned solely for performance of services directed in the major disaster or emergency area.
 3. Travel and per diem of Federal military personnel assigned solely for the performance of services directed in the major disaster or emergency area.
 4. Cost of work, services, and materials procured under contract for the purposes of providing directed assistance.
 5. Cost of materials, equipment, and supplies (including transportation, repair, and maintenance) from regular stocks used in providing directed assistance.
 6. All costs incurred which are paid from trust, revolving, or other funds, and whose reimbursement is required by law.
 7. Other costs submitted by DoD with written justification or otherwise agreed to in writing by the Primary Agency.
- B. DoD Components issued ERD, D amounts will actively seek reimbursement for any Federal-to-Federal support provided under the Economy Act. DoD Components will submit requests for reimbursement pursuant to the CJCS and the U.S. NORTHCOM standing DSCA Execute Order (EXORD).
- C. When seeking reimbursement from Federal agencies, Components can invoice using Treasury approved forms: The SF 1080 (“Voucher for Transfers Between Appropriations/Or Funds”) for reimbursement by Treasury check or SF 1081 (“Voucher and Schedule of Withdrawals and Credits”). For further guidance, see DoD FMR 7000.14, volume 11A, “Reimbursable Operations, Policy and Procedures,” at (http://comptroller.defense.gov/fmr/current/11a/Volume_11a.pdf).
- D. Requests for reimbursement shall be documented with specific details on personnel services, travel, costs of contracts for services, materials, supplies, and miscellaneous expenses and all other expenses by object class as specified in OMB Circular A-11 and by any sub object class used in the DoD Component/performing activity’s accounting system.
- E. The DoD Component using ERF,D shall maintain all financial records, supporting documents, statistical records and other records pertinent to the provision of services or use of resources by those activities. These materials must be accessible to duly authorized officials for purposes of making audits, excerpts, and transcripts, for a period of 6 years 3 months from the date of submission of the final billing.

VI. COST AND FINANCIAL REPORTING.

- A. Cost Reporting. Cost reporting is an integral part of the Department's stewardship. Components must make every effort possible to capture and accurately report the cost of a humanitarian assistance or disaster relief (HA/DR) effort. Components are required to report the obligation of all funds (regardless of source) to cover the incremental costs of used to finance HA/DR efforts.
1. Each DoD Component or organization supporting an HA/DR response using ERF,D funds shall capture related obligations and disbursements in its accounting system(s) at the lowest possible level of the organization. This provides tracking of obligations and disbursements for affected appropriations.
 2. It is the responsibility of the DoD Component that incurs costs, directly or indirectly, to ensure that information on all costs is transmitted to the appropriate DoD Component for forwarding to servicing Defense Finance Accounting Service (DFAS), as applicable to meet cost reporting guidance.
- B. Financial Reporting. The DFAS shall prepare the appropriation and fund status reports as required by DoD FMR 7000.14, volume 6A "Reporting Policy," chapter 4: "Appropriation and Fund Status Reports," at (http://comptroller.defense.gov/fmr/current/06a/Volume_06a.pdf). The reports required for the ERF-D are:
1. Year-End Closing Statement, FMS 2108
 2. Report on Budget Execution & Budgetary Resources, SF 133
 3. Appropriation Status by Fiscal Year Program & Sub Accounts (AR(M) 1002)
 4. Report on Reimbursements (AR(M) 725)

VII. PUBLIC LAWS.

- A. P.L. 101-165. For the "Emergency Response Fund, Defense"; \$100,000,000, to remain available until expended. The Fund shall be available for providing reimbursement to currently applicable appropriations of the Department of Defense for supplies and services provided in anticipation of requests from other Federal Departments and agencies and from State and local governments for assistance on a reimbursable basis to respond to natural or manmade disasters. The Fund may be used upon a determination by the Secretary of Defense that immediate action is necessary before a formal request for assistance on a reimbursable basis is received. There shall be deposited to the Fund (a) reimbursements received by the

Department of Defense for the supplies and services provided by the Department in its response efforts and (b) appropriations made to the Department of Defense for the Fund. Reimbursements and appropriations deposited to the Fund shall remain available until expended.

- B. P.L. 103-139 . In addition to the forgoing, upon a determination by the Secretary of Defense that such action is necessary, the Fund may be used, in addition to other funds available to the Department of Defense for such purposes, for expenses of the Department of Defense which are incurred in supplying supplies or services furnished in response to natural or manmade disasters.

VIII. EFFECTIVE PERIOD.

- A. This guidance shall become effective immediately and supersedes DoD Financial Management Regulation (FMR) 7000-14, volume 12, chapter 6, “Defense Emergency Response Fund,” dated September 1996.
- B. Submit requests for updates or changes to this guidance through the Office of the Under Secretary of Defense (Comptroller) (Program/Budget) (OUSD(C)(P/B)).