

13,501



## OIL SPILL COORDINATION OFFICE

Alaska Region

TO: Rebecca/  
MOEFAX: 276-7178

UNIT: \_\_\_\_\_

Verification No. \_\_\_\_\_

FROM: DAVE GIBBON

FAX: \_\_\_\_\_

REMARKS: ① Pls. Retype the Public Advisory Group Letter on RT Letter Head & Fax to me before noon 3/9. Also, Rebecca has the Financial mgmt. Framework Doc. on Disc — pls. make the changes indicated & hold on for me until 2:10 (I will pick it up).

TRUSTEE COUNCIL:

Barton, Michael 586-7840  
Cole, Charles 463-5295  
McVee, Curtis 271-4102

Pennoyer, Steven 586-7131  
Rosier, Carl 465-2332  
Sandor, John 465-5070

MANAGEMENT TEAM:

Bergmann, Pamela 271-4102  
Broderson, Mark 465-5375  
Montague, Jerome 586-9612

Morris, Byron 789-6608  
Rice, Ken 276-7178  
Rutherford, Marty 562-4871

Total number of pages (including cover): 10Date Sent: 3/7 Time: 1:30

2/25/92

FINANCIAL MANAGEMENT FRAMEWORK

**GENERAL.** The objective of the FINANCIAL MANAGEMENT FRAMEWORK is to ensure public trust and accountability while maximizing the Trustee's ability to utilize Exxon Settlement funds for approved restoration activities. A flow chart of the FINANCIAL MANAGEMENT FRAMEWORK is included as Appendix C. Financial management of the Exxon Settlement funds will be accomplished as outlined herein based on the following principles.

- Maximum use will be made of existing agency administrative structures. Each of the Trustee agencies have established administrative, personnel and financial management systems. These established systems will be utilized to the maximum extent possible.
- General administrative expenses will be kept to a minimum and will be applied in a consistent manner by Trustee Agencies.
- Administrative services including personnel, accounting, contracting, purchasing and property accountability will be provided in accordance with the "lead agency" concept based on a MOU approved by the Trustee Council (TC).<sup>1</sup>

ANNUAL BUDGET

Annually the TC will prepare and approve a current year budget. The annual budget will be based on the Federal fiscal year.

The annual budget will, at a minimum, include the following elements:

- A budget for the Administrative Director (AD) and staff. This budget will include salaries, benefits, travel, office space, supplies and materials, contractual services, utilities, general administrative expenses and such other items as may be necessary for the efficient operation of the Trustee Council and Restoration Team

---

<sup>1</sup> A "lead agency" is an agency, either Federal or state, which agrees to the use of its administrative structures and processes in support of the Administrative Director's Office. These services would include such functions as contracting for office space, personnel services, payment of utilities, small purchasing, imprest fund, etc. The purpose of this concept is two-fold. First, it obviates the need for legislation (either Federal or state) authorizing the Trustee Council to carry out these functions. Second, it utilizes existing agency structures and thus eliminates duplication and inefficiency.

(RT). The budget will be summarized on a Project Budget Form (Appendix D).

- A budget for the RT and each standing working-group established by the TC. These budgets will be summarized on a Project Budget Form (Appendix D) and will include personnel costs, travel, contractual services, commodities, equipment and general administrative expenses.
- A budget for each project specifying costs, activities and expected results. Project budgets will be summarized on a Project Budget Form (Appendix D) and will include, as a minimum, project costs broken down by program management costs, direct project personnel costs, travel, contractual, commodities, equipment and general administrative expenses.

#### GENERAL ADMINISTRATION COSTS

General Administration costs to <sup>provide</sup> support <sup>for</sup> agency members of the RT, other standing working groups, and project implementation will be calculated as follows:<sup>2</sup>

Projects - Each approved project may contain a line item for general administration costs not to exceed an amount calculated as follows:

- (1) 15% of the project direct personnel costs; plus
- (2) up to 7% of the first \$250,000 of each project contract costs, plus 2% of project contract costs in excess of \$250,000.

The specific general administration rate assessed contract costs may be based on existing rates used by a state or federal agency for similar contracts but may not exceed the rates as established herein.

Restoration Team. The annual budget for the RT and <sup>cost</sup> ~~each standing working group~~ may include a general administration assessment of not more than 5% of the personnel costs of the RT, ~~and working groups~~. Such general administration will be allocated by agency in proportion to each agencies personnel costs for the RT, ~~and working groups~~.

<sup>2</sup> In lieu of calculating general administrative costs by formula, agencies may elect to receive a base rate for General Administration of not more than \$45,000. General Administration costs include such tasks as personnel services, fiscal and accounting services, and other general administrative functions in support of agency personnel on the RT or a working-group.

Working Groups. The annual budgets for the working groups may include a general administration cost of not more than 5% of the personnel costs of the working groups. Such general administration will be allocated in proportion to each agencies personnel costs for the working groups.



Administrative Director's Office. The annual budget for the AD's Office may include a general administration assessment of no more than 5% of the personnel costs associated with the AD's Office. Such general administration will be allocated by agency in proportion to each agency's personnel costs for the AD's Office. General administration will not be assessed on other activities such as the Public Advisory Group (PAG) <sup>AND</sup> public outreach ~~or the~~ ~~science~~ programs.

### ANNUAL BUDGET FORMULATION PROCESS

On an annual basis the TC with public participation will formulate a draft plan of work for the coming year.

Notification of availability of the draft plan of work will then be published in the Federal Register and major Alaskan newspapers for a public and PAG review of not less than 30 days.

Agencies shall submit their tentatively approved budgets to the RT in a format agreed upon and consistent to all agencies. The RT will review these submissions and provide budget/program recommendations to the TC for consideration. These recommendations will include a summary of the tentatively approved budgets by agency, with future year costs for long-term projects. The following format will be used to summarize all projects in the annual program:

THE RT WILL REVIEW THE COMPLETE PACKAGE (BUDGET/PROGRAM) AND MAKE RECOMMENDATIONS TOTAL TO THE T.C.

<u>PROJECT</u>	<u>AGENCY/AMOUNT</u>	<u>AGENCY/AMOUNT</u>	<u>TOTAL</u>
1.			
2.			
3.			
4.			
5.			
<u>TOTALS</u>			

After expiration of the review period the TC will again, in an open meeting with opportunity for public comment, review the tentative program, make changes as appropriate, and approve a final program. Project decisions made by the TC then will be subject to review and notification procedures established by state and Federal governments.

### FEDERAL/STATE REVIEW AND NOTIFICATION

Upon final approval on the annual budget by the TC, state and Federal agencies will present information for review and notification procedures established by the respective governments. For the state those procedures are as described in Appendix A. For the Federal government these procedures are as described in Appendix B.

Working Group

Financial Management



TRANSFER OF EXXON SETTLEMENT FUNDS FROM THE COURT REGISTRY

Upon final approval of the annual budget and completion of review and notification processes by both the state and Federal governments, a joint TC letter will be issued requesting the Court to transfer Exxon Valdez Settlement funds to appropriate state and Federal government accounts. Funds received from the Court will be held in separate state and Federal interest bearing accounts. State and Federal governments will report quarterly to the AD on interest earned and cash disbursed. The court will transfer funds to the Department of the Interior Resource Damage Assessment and Recovery Fund (NRDA&R) and an account to be designated by the Division of Finance, Department of Administration, State of Alaska.

The transfer instructions from the Court Registry to the NRDA&R and the State of Alaska respectively are as contained in Appendix E.

ACCOUNTING AND REPORTING

WITH supporting documentation. ✓

Trustee agencies will maintain accountability for the expenditure of Exxon Settlement Funds utilizing generally accepted accounting principles and agency approved accounting procedures. As a minimum, these procedures will identify expenditures as approved in the annual work plan. State and Federal agencies must separately account for their portion of each project or program.

State and Federal agencies will report expenditures by month for each quarter thirty days following the end of the quarter. The lead agency responsible for a multi-agency activity is responsible for collecting from each participating agency and reporting that information. Agencies shall submit expenditure reports to the Administrative Director's Office, which is responsible for consolidation and dissemination of the reports. The Administrative Director's Office will be assisted by the Financial Management Working group for review and development of summary statements. (Appendix G) ✓

SHALL ✓ T.C. ✓ TO THE RT AND ADMINISTRATIVE Director be  
The AD may submit to the Court quarterly expenditure reports, and reports of cash balances of the NRDA&R and equivalent state accounts. APPROVAL ✓

ANTICIPATED COSTS ✓  
State and Federal governments will each adopt internal reporting rules governing information required to transfer cash received from the Court Registry to agencies incurring expenditures. For Federal agencies, the quarterly statements of expenditures will provide the basis for transfer of Exxon Settlement funds from the NRDA&R to the appropriate agency accounts. The instructions for such transfers are as contained in Appendix F.

State agencies, operation under a unified accounting system, will simply draw from the account holding funds from the Court Registry. Quarterly disbursements will not be necessary, and all unexpended funds received from the Court will earn interest.

FINANCIAL MANAGEMENT WORKING GROUP REFERENCE

AUDITS

Accountability for the expenditure of Exxon Settlement Funds is of critical importance to maintaining public trust and confidence. Each Federal agency as well as the State of Alaska, have approved audit functions. Periodic audits of Exxon Settlement expenditures and financial controls will be conducted in accordance with established policy. State and Federal agencies will submit to the Administrative Director's Office a schedule of proposed audits, and copies of audits when completed. ~~The Administrative Director's Office will be assisted by the Financial Management Working group for review and development of summary statements.~~

~~of Audits and Documentation~~

Documentation

THE TRUSTEE AGENCIES WILL PROVIDE DOCUMENTATION <sup>for AUTHORIZED</sup> ~~for~~ PAST COSTS TO THE ADMINISTRATIVE DIRECTOR'S OFFICE FOR VERIFICATION ~~of THE~~ ~~FINANCIAL MANAGEMENT WORKING GROUP~~ PRIOR TO REIMBURSEMENT OF THESE COSTS. THE KEY DOCUMENT WILL BE AN UP-TO-DATE SUMMARY OF PAST COSTS. THIS SUMMARY SHOULD BREAK OUT COSTS BY CATEGORY, I.E., SALARIES, TRAVEL, SUPPLIES, CONTRACTS AND EQUIPMENT. THE REST OF THE PACKAGE WILL BE DIVIDED INTO SECTIONS CONTAINING SUPPORTING DOCUMENTATION FOR EACH OF THE COST CATEGORIES LISTED IN THE SUMMARY.

## APPENDIX G

## EXXON VALDEZ QUARTERLY REPORT

PROJECT: \_\_\_\_\_

## PLAN vs. ACTUALS

	PLAN	ACTUAL	VARIANCE
O/C 11 Direct Labor			
O/C 12 Benefits			
O/C 21 Travel,trans,persons			
O/C 22 Trans of things			
O/C 23 Rent,Comm,Utilities			
O/C 24 Printing			
O/C 25 Contractual services			
O/C 26 Supplies			
O/C 31 Equipment			

TOTALS

Reply to: Exxon Valdez Oil Spill

Date: March 7, 1992

Subject: Public Advisory Group

To: Trustee Council

For your information prior to the Trustee Council meeting of March 9. This write-up contains proposals that would meet the basic procedural requirements for a Public Advisory Group.

## **1. CHARTER**

After the Trustee Council decide on the basic structure and procedures for the Public Advisory Group, legal staff will redraft a charter based on the approved narrative description and the applicable statutes and regulations. Since compliance with the Federal Advisory Committee Act is likely to take at least a number of weeks, there is no practical benefit to submit a charter before all pieces are assembled and approved by the Trustee Council.

Legal counsel from the federal and state governments have submitted a memorandum reviewing the draft charter for compliance with applicable law. This is enclosed for your information.

## **2. PUBLIC ADVISORY GROUP**

### **A. Membership**

The public Advisory Group contains 15 members

### **B. Balance and Representation**

The Public Advisory Group must be fairly balanced among at least the following principal interests:

Aquaculture  
Commercial Fishing  
Commercial Tourism  
Environment  
Conservation  
Forest Products

Local Government  
Native Landowners  
Recreational Users  
Sport Hunting & Fishing  
Subsistence  
Science/Academic

#### **1) Special Provisions for local government**

The Trustee Council reserve at least one seat for local government representing the Exxon Valdez oil spill area.



ii) Special Provisions for Native Interests

Native interests other than subsistence shall be represented by at least one traditional or Indian Reorganization Act Village Council and at least one ANCSA corporation.

**C. Nomination and Selection**

The Trustees will appoint Public Advisory Group members from nominees presented by the public and nominations from recognized professional, service, or public interest groups. The Trustees will use the lists to balance the group appropriately.

**D. Powers and Duties**

The Public Advisory Group delivers advice or comment to the Trustee Council. It serves as a sounding board on issues pertinent to the restoration process. It is a supplement, rather than a substitute, for other public comment, advice, and recommendations.

i) Non-Binding Role

The Trustee Council must fairly acknowledge and consider the advice and comment of the Public Advisory Group, but the Public Advisory Group has no binding powers on the Trustee Council or their actions.

ii) Interaction with Trustee Council

The Public Advisory Group may present its views in whatever form it feels most appropriate, including consensus recommendations, votes or majority/minority reports.

The Trustee Council shall set aside time on each Trustee Council agenda for the Public Advisory Group to deliver advice, comment, or reports, and to ask and receive questions.

**E. Support for the Public Advisory Group**

The Trustee Council, through the Administrative Director and the Restoration Team, will provide support to the Public Advisory Group.

i) Clerical and Administrative

The Administrative Director will include in their budget funds sufficient to support reasonable clerical and administrative support to the Public Advisory Group. These include, but are not limited to, arranging teleconferences, copying and mailing materials, and other logistical support.

The Administrative Director shall make all reasonable efforts to accommodate the requests of the Public Advisory Group.

ii) Technical and Information Staff

The Trustee Council has approved staff support for the Public Advisory Group from the office of the Administrative Director on an as-needed basis.

**F. Budget**

The Trustee Council approves an overall budget for the Public Advisory Group based upon recommendations from the Public Advisory Group and the Restoration Team.

The budget shall be based upon activities and spending guidelines reviewed and approved by the Trustee Council. The Public Advisory Group decides how they will allocate its total budget among the approved activities and spending guidelines.

**G. Other Restoration Team Recommendations**

1. The Restoration Team notes that public comment consistently recommended that a staff member be supplied to the Public Advisory Group full-time. "The Federal Advisory Committee Act requires that the designated Federal agency shall designate an officer or employee to chair or attend each meeting of the advisory group. 5 U.S.C. App. 2 S10(e); 41 C.F.R. S 101-6.1010. The advisory group cannot conduct any meeting in the absence of that officer or employee." (from Legal counsel letter enclosed).
2. The Restoration Team has revisited the Public Advisory Group Budget and reduced it from a previous total of \$152,000 to \$106,600 (without liaison position).



## FAX Cover Sheet

Date: 3/9/92 Telecopy #: \_\_\_\_\_ Total Page Count: 4  
To: Dave Gibbons  
From: Barbara Isiah Phone #: (907) 278-8012

### Remarks:

Attached is a copy of the memo to the Trustee Council regarding the Public Advisory Group. I am continuing to work on the Financial Management Framework document and will get it to you by noon. I made a few typographical revisions. If you have any more, let me know.

Barbara

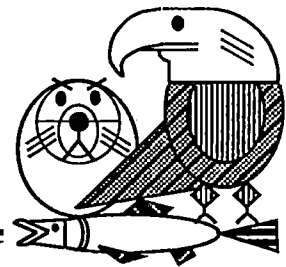
**FAX COMPLETE**



**Exxon Valdez Oil Spill Restoration Team**

645 "G" Street, Anchorage, AK 99501

Phone: (907) 278-8012 Fax: (907) 276-7178



Reply to: Exxon Valdez Oil Spill

Date: March 7, 1992

Subject: Public Advisory Group

To: Trustee Council

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To: Dave Gibbons  
From: Barbara Iseah Phone #: (907) 278-8012

**Remarks:**

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I also made some typographical revisions.  
Please let me know if you have any  
further changes.

Barbara

3/9/92

### FINANCIAL MANAGEMENT FRAMEWORK

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The annual budget will, at a minimum, include the following elements:

- A budget for the Administrative Director (AD) and staff. This budget will include salaries, benefits, travel, office space, supplies and materials, contractual services, utilities, general administrative expenses and such other items as may be necessary for the efficient operation of the Trustee Council and Restoration Team

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<sup>1</sup> A "lead agency" is an agency, either Federal or State, which agrees to the use of its administrative structures and processes in support of the Administrative Director's Office. These services would include such functions as contracting for office space, personnel services, payment of utilities, small purchasing, imprest fund, etc. The purpose of this concept is two-fold. First, it obviates the need for legislation (either Federal or State) authorizing the Trustee Council to carry out these functions. Second, it utilizes existing agency structures and thus eliminates duplication and inefficiency.



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- (2) up to 7% of the first \$250,000 of each project contract costs, plus 2% of project contract costs in excess of \$250,000.

The specific general administration rate assessed contract costs may be based on existing rates used by a State or Federal agency for similar contracts but may not exceed the rates as established herein.

Restoration Team. The annual budget for the RT may include a general administration cost of not more than 5% of the personnel costs of the RT. Such general administration will be allocated by agency in proportion to each agency's personnel costs for the RT.

Working Groups. The annual budgets for the working groups may include a general administration cost of not more than 5% of the

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<sup>2</sup> In lieu of calculating general administrative costs by formula, agencies may elect to receive a base rate for General Administration of not more than \$45,000. General Administration costs include such tasks as personnel services, fiscal and accounting services, and other general administrative functions in support of agency personnel on the RT or a working group.

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Administrative Director's Office. The annual budget for the AD's Office may include a general administration cost of no more than 5% of the personnel costs associated with the AD's Office. Such general administration will be allocated to each agency in proportion to each agency's personnel costs for the AD's Office. General administration will not be charged on other activities such as the Public Advisory Group (PAG) and public outreach programs.

#### ANNUAL BUDGET FORMULATION PROCESS

On an annual basis the TC with public participation will formulate a draft plan of work for the coming year.

Notification of availability of the draft plan of work will then be published in the Federal Register and major Alaskan newspapers for a public and PAG review of not less than 30 days.

Agencies shall submit their tentatively approved budgets to the RT in a format agreed upon and consistent to all agencies. The Financial Management working group will review these submissions and provide budget recommendations to the RT for consideration. The RT will review the complete package (budget/program) and make recommendations to the TC. These recommendations will include a summary of the tentatively approved budgets by agency, with future year costs for long-term projects. The following format will be used to summarize all projects in the annual program:

<u>PROJECT</u>	<u>AGENCY/AMOUNT</u>	<u>AGENCY/AMOUNT</u>	<u>TOTAL</u>
1.			
2.			
3.			
4.			
5.			
<u>TOTALS</u>			

After expiration of the review period the TC will again, in an open meeting with opportunity for public comment, review the tentative program, make changes as appropriate, and approve a final program. Project decisions made by the TC then will be subject to review and notification procedures established by State and Federal governments.

#### FEDERAL/STATE REVIEW AND NOTIFICATION

Upon final approval on the annual budget by the TC, State and Federal agencies will present information for review and notification procedures established by the respective governments. For the State those procedures are as described in Appendix A. For

the Federal government those procedures are as described in  
Appendix B.

## TRANSFER OF EXXON SETTLEMENT FUNDS FROM THE COURT REGISTRY

Upon final approval of the annual budget and completion of review and notification processes by both the State and Federal governments, a joint TC letter will be issued requesting the Court to transfer Exxon Valdez Settlement funds to appropriate State and Federal government accounts. Funds received from the Court will be held in separate State and Federal interest bearing accounts. State and Federal governments will report quarterly to the AD on interest earned and cash disbursed. The court will transfer funds to the Department of the Interior Resource Damage Assessment and Recovery Fund (NRDA&R) and an account to be designated by the Division of Finance, Department of Administration, State of Alaska.

The transfer instructions from the Court Registry to the NRDA&R and the State of Alaska respectively are as contained in Appendix E.

## ACCOUNTING AND REPORTING

Trustee agencies will maintain accountability for the expenditure of Exxon Settlement Funds utilizing generally accepted accounting principles and agency approved accounting procedures. As a minimum, these procedures will identify expenditures as approved in the annual work plan with supporting documentation. State and Federal agencies must separately account for their portion of each project or program.

State and Federal agencies will report expenditures by month for each quarter thirty days following the end of the quarter to the AD. The lead agency responsible for a multi-agency activity is responsible for collecting from each participating agency and reporting that information. Agencies shall submit expenditure reports (Appendix G) to the Administrative Director's Office for review by the Financial Management working group before consolidation and dissemination to the RT and Administrative Director for approval.

The AD shall submit to the TC quarterly expenditure reports, and reports of cash balances of the NRDA&R and equivalent State accounts.

State and Federal governments will each adopt internal reporting rules governing information required to transfer cash received from the Court Registry to agencies incurring expenditures. For Federal agencies, the quarterly statements of anticipated costs will provide the basis for transfer of Exxon Settlement funds from the NRDA&R to the appropriate agency accounts. The instructions for such transfers are as contained in Appendix F.

State agencies, operating under a unified accounting system, will simply draw from the account holding funds from the Court Registry. Quarterly disbursements will not be necessary, and all unexpended funds received from the Court will earn interest.

### AUDITS

Accountability for the expenditure of Exxon Settlement Funds is of critical importance to maintaining public trust and confidence. Each Federal agency as well as the State of Alaska have approved audit functions. Periodic audits of Exxon Settlement expenditures and financial controls will be conducted in accordance with established policy. State and Federal agencies will submit to the Administrative Director's Office a schedule of proposed audits, and copies of audits when completed.

### DOCUMENTATION

The Trustee Agencies will provide documentation for authorized past costs to the Administrative Director's office for verification prior to reimbursement of these costs. The key document will be an up-to-date summary of past costs. This summary should break out costs by category, i.e., salaries, travel, supplies, contracts and equipment. The rest of the package will be divided into sections containing supporting documentation for each of the cost categories listed in the summary.

APPENDIX G

EXXON VALDEZ QUARTERLY REPORT

PROJECT: \_\_\_\_\_

PLAN vs. ACTUALS

	PLAN	ACTUAL	VARIANCE
O/C 11 Direct Labor			
O/C 12 Benefits			
O/C 21 Travel, trans, persons			
O/C 22 Trans of things			
O/C 23 Rent, Comm, Utilities			
O/C 24 Printing			
O/C 25 Contractual services			
O/C 26 Supplies			
O/C 31 Equipment			

TOTALS



# GAVORA INC.

P. O. Box 21  
Fairbanks, Alaska 99707  
(907) ~~456-4425~~  
452-6422  
FAX 907-451-8265

RECEIVED  
JAN 04 1993

EXXON VALDEZ OIL SPILL  
TRUSTEE COUNCIL  
ADMINISTRATIVE RECORD

TO: Cherri Womac FROM: Office of Paul Gavora  
FAX: 276-7178 DATE: 1/4/93

# of Pages 1 (including this page)

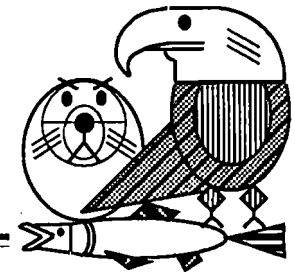
MESSAGE: \_\_\_\_\_

Due to family commitments Mr. Gavora is unable  
to attend the meeting scheduled for January 6.

Shirley

# Exxon Valdez Oil Spill Trustee Council

645 G Street, Anchorage, Alaska 99501  
Phone: (907) 278-8012 Fax: (907) 276-7178



RECEIVED  
DEC 31 1992

November 20, 1992

EXXON VALDEZ OIL SPILL  
TRUSTEE COUNCIL  
ADMINISTRATIVE RECORD

Dear PAG Member:

Enclosed for your review is the detailed budget package pertaining to the 1993 Work Plan. A summary of the budget by Agency and Project is located in the front of the package on forms 1A and 1B.

This budget information will be discussed at the next PAG meeting, starting at 9:00 a.m. on December 2, 1992 at the Simpson Building.

Sincerely,

A handwritten signature in dark ink, appearing to read "Dave R. Gibbons". The signature is fluid and cursive.

Dave Gibbons, Ph.D.  
Interim Administrative Director