



Administrative Policy No. 19.85.10

Subject: Accounting for Emergencies and Disasters

Contact: Office of Accounting Services
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Authorizing Sources: Chapter [38.52](#) RCW, Emergency management

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Approved By: Original approved by Richard Pannkuk
Assistant Secretary / Chief Financial Officer

Purpose

This policy:

1. Supersedes normal purchasing and accounting (AP 13.08) requirements when an emergency or disaster occurs that prevents normal business operations from taking place but must still follow the credit card policies (AP 13.18 and 13.19).
2. Establishes the accounting process for emergencies/disasters and the process for coordinating the accounting function with other entities.
3. Helps ensure the Department of Social and Health Services (DSHS) is eligible to receive federal reimbursement for expenditures incurred during a federally declared state of emergency or disaster. The federal requirements for reimbursement include accurate timekeeping and adequate documentation for costs incurred.

Scope

This policy only applies to DSHS programs and institutions when:

- An emergency or disaster has taken place;
- Normal accounting and information technology systems (e.g. desktop computers, web-based, or mainframe payment systems) may not be available; and
- It is not anticipated that they will become available in time to support mission essential functions in operation.

Additional Guidance

Governor's website, newsroom [proclamations](#)

DSHS administrative policies

09.11, Emergency management

09.15, Continuity of operations plan

13.08, Purchased goods and services

13.18, Credit cards – obtaining and safeguarding

13.19, Credit cards – Purchases, payments, and disputes

[Collective bargaining agreements](#)

DSHS emergency accounting packet list

DSHS forms picker

03-423, Overtime request and authorization

03-437, DSHS personnel activity report (PAR)

03-458, Time and attendance record (TAR)

17-185, Purchase card use log

Department of Enterprise services policies

[130-00](#), Emergency procurement purchases

Department of Enterprise Services, [Sole source contracts database](#)

Washington Military Department, [Emergency Management Division \(EMD\)](#) public assistance

[Federal Emergency Management Agency \(FEMA\) public assistance](#)

Definitions

Business unit means staff from one or more offices, sections, divisions, or regions within an administration.

Client is a person who uses the services offered by DSHS or who receives financial benefit based on that person's individual or family need.

Continuity plan (also known as continuity of operations plan or COOP) is a set of written procedures that describe the activities each DSHS administration must take to sustain the delivery of its mission essential functions during periods of emergency or disaster. DSHS emergency management services prepares the continuity plan for executive administration and provides a continuity plan template for each DSHS administration. Subject matter experts within each DSHS administration are responsible for preparing their own continuity plans. Continuity plans must align vertically with guidance set forth in the DSHS emergency operations plan, as developed by DSHS emergency management services.

Contractor is any person, business, non-profit, or government entity who provides services to DSHS under a contractual agreement and not as an employee of DSHS.

Credit card is an account issued through the card company that entitles the holder to pay for goods and services using the DSHS line of credit. The account may be a plastic card or a ghost card (a letter from the card company with the account information, instead of an actual card). DSHS uses a variety of credit card types including purchase cards, DSHS travel cards, combo cards (purchasing + travel), and custom cards (cards with MCC templates designed to meet specific administration needs).

DSHS emergency operations plan refers to the document approved by the secretary, which formalizes DSHS's overarching approach to emergency response, continuity of operations, and communications during disruptive incidents. The DSHS emergency operations plan is developed and maintained by the DSHS emergency management services.

DSHS payroll office is either the office within the facilities, finance, and analytics administration that processes payroll for DSHS or the institutional payroll offices that process their own payroll.

Emergency or disaster is a set of unforeseen circumstances beyond the control of an agency that either: (a) presents a real, immediate threat to the proper performance of essential functions; or (b) may result in material loss or damage to property, bodily injury, or loss of life if immediate action is not taken. For this policy, emergency or disaster means normal business operations have been interrupted, and the emergency response plan has been enacted.

Emergency goods and services are essential items needed by staff, clients, contractors, or providers for the client's benefit. For the purpose of this policy this includes, but is not limited to:

1. Food, shelter, and clothing.
2. Medical visits for diagnosis and treatment, pharmaceuticals, and related supplies.
3. Transportation to and from medical appointments.

Emergency response plan describes in writing the actions that management and employees must take immediately during an emergency or disaster to protect life-safety. Emergency response plans address incidents that are generally short term and do not interrupt DSHS' ability to continue its mission essential functions. Each DSHS location should have a single, integrated emergency response plan incorporating all DSHS administrations at that location as well as any non-DSHS tenants in the same building, when feasible.

Essential functions are critical activities an organization performs that are directly related to accomplishing the mission of the organization. The limited set of functions that must be continued throughout or resumed rapidly after a disruption to normal activities. They are mandated by state or federal statute, funding source, or direction from the secretary.

Fiscal program manager (FPM) or designee is the individual the assistant secretary (or designee) assigns the responsibility for overseeing the accuracy of the account coding and processing of payments in the agency financial reporting system (AFRS).

Provider or vendor is any person, business, non-profit, or government entity who provides goods/services to DSHS or its clients. A vendor may or may not have a contractual agreement.

Purchase order (PO) is a document that authorizes the delivery of specified merchandise or the rendering of certain services. This form is used by agencies to encumber, liquidate, and authorize payment for such purchase requisition requests. For the purposes of this policy, a Purchase Order is generated from the TRACKS system.

Resources means the staffing assistance needed to ensure DSHS business units can continue operations and maintain adequate recordkeeping (staffing records and purchases) and accountability to ensure expenditures incurred may be eligible for federal financial reimbursement through coordination with the Washington Military Department Emergency Management Division. Each DSHS business unit is responsible for designating emergency resources in their local emergency response plan.

Salary and benefits are wages paid for hours worked by permanent and temporary DSHS staff.

TRACKS means the electronic purchasing and inventory system used within DSHS to track agency purchases and monitor fixed asset inventory.

Policy

- A. DSHS's secretary must submit written notification of emergency purchases over \$30,000 made to the director of the Department of Enterprise Services (DES).**

RCW [39.26.130](#) states emergency purchases must be reported to the director of the DES within ten business days of the purchase. However, in the event of emergencies or disasters where normal business operations have been interrupted, emergency purchases must be reported at the beginning of the recovery phase.

In accordance with DES policy 130-00, for each purchase over \$30,000 and not using a DES statewide contract, administrations are responsible for documenting and reporting emergency purchases to either the central purchasing unit (CPU) or central contracts & legal services (CCLS) for submittal to the sole source contracts database (SSCD).

- B. Facilities, finance, and analytics administration (FFAA) is the only authorized agency representative for obtaining any FEMA or Stafford Act grants or funding associated with the emergency or disaster.**

I. Responsibilities and Priorities

A. FFAA accounting responsibilities

1. The DSHS chief financial officer, or designee, has oversight of all financial related functions at DSHS, that includes but is not limited to cost tracking and reimbursement requests related to the declared state of emergency or disaster.
2. The office of accounting services (OAS) serves as the financial liaison between DSHS, the Washington Military Department Emergency Management Division, and other external entities with regard to the documentation and allocation of funds during an emergency. OAS works with various funding sources to ensure DSHS appropriately documents and allocates costs or supports reimbursement requests as needed.
3. OAS will assign unique account coding to track all emergency related expenditures. This includes establishing a code for timekeeping and another expenditures.

B. Administrations accounting priorities

1. When an emergency or disaster occurs and normal business operations are interrupted, staff should prioritize their financial work to support the areas listed below, in the following order:
 - a. State-run facilities that provide essential functions in residential facilities for clients 24 hours a day, seven days a week.
 - b. Administrations that provide essential functions, contractors, and providers that support clients. Resources must be available for the local field offices to assist with the purchase and record keeping of items needed to assist clients.
 - c. Staff that process DSHS payroll. Resources must be available to pay permanent and temporary staff, including any overtime.
2. Appointing authorities within each administration are responsible for ensuring that emergency plans address the priorities and the deployment of accounting staff to meet the priorities listed above.

II. Accounting for expenditures during a state of emergency or disaster

A. Authorizations for goods and services will depend on the following conditions:

1. If computers and TRACKS are available, the TRACKS system must be used to generate PO.
2. If computers and TRACKS are not available, staff must receive authorization to make purchases from appropriate authority. Once TRACKS is available, staff will generate a PO in TRACKS with a note that prior authorization was obtained to make emergency purchases in an emergency situation.

B. Credit cards are the preferred method of payment to ensure timely tracking of emergency expenditures as they are identified at the time of credit card reconciliation.

C. Staff who work during the state of emergency or disaster must track their time on the DSHS personnel activity report (DSHS form 03-437) or time and attendance record (DSHS form 03-458).

This form is required to ensure that DSHS receives federal reimbursement for personnel costs.

D. The time recorded must include the total number of actual hours worked.

DSHS follows the respective collective bargaining agreements and WACs regarding compensation for overtime hours worked during a declared state of emergency or disaster.

III. Public agency emergency declaration assistance

A. If a federal presidential emergency is declared for major disaster in response to a natural disaster or public health incident and funding is authorized:

1. The Emergency Management Division (EMD) at the Washington Military Department will obtain all federal public assistance program funding.
2. OAS will serve as the financial liaison between EMD and DSHS.

Policy operational requirements

I. Implement for emergency preparedness (prior to an emergency)

A. DSHS administrations, offices, and institutions must:

1. Ensure access to a credit card. If you need to obtain a credit card, refer to

DSHS administrative policy 13.18.

2. Ensure emergency packets are available at each location for each program. If not, visit the Office of Emergency Management's Services SharePoint to access the emergency packet list and print the items on the list.

II. Procedures to be followed in case of an emergency or disaster

A. Authorizing emergency goods and services

1. PO or credit card POs are required for all goods and services.
 - a. If computers and TRACKS are available, the TRACKS system must be used to generate PO or credit card POs.
 - b. If computers and TRACKS are not available, staff must receive authorization to make purchases from appropriate authority. Once TRACKS is available, staff will generate a PO in TRACKS with a note that prior authorization was obtained to make emergency purchases in an emergency situation.

B. Purchasing emergency goods and services

All purchases made relating to an emergency must be documented.

1. Utilization of credit cards.
 - a. Retrieve the credit card from the secure location when needed for authorized emergency purchase.
 - b. The purchaser must comply with administrative policies and procedures found in AP 13.08, 13.18, and 13.19.
 - c. Return credit card and receipt to credit card custodian.
2. Utilization of TRACKS PO.
 - a. Provide the original PO to the vendor to obtain goods and/or services.
 - b. Obtain receipt or if not available, list items and dollar amount on paper PO.
 - c. Forward copies of PO and receipt to Fiscal. Fiscal will distribute copies:
 - i. The first copy is to reconcile payment.
 - ii. The second copy is to be sent to OAS for submittal to Federal Emergency Management Agency (FEMA).
 - iii. The third copy is to be attached to the emergency filing

justification letter (see section E below) to the DSHS secretary for single purchases over \$30,000.

C. Time and Attendance

Staff working must track their time related to the emergency as outlined in policy 18.28.Y.

1. Staff time worked during a federally declared state of emergency must be reported on the DSHS personnel activity report (DSHS form 03-437), DSHS time and attendance report (DSHS form 03-458), or DSHS leave tracker. These forms can be found in the emergency packet list. This includes all hours worked.
 - a. An individual's time spent working during their normal workweek while operating under a federally declared state of emergency is not eligible for Federal Emergency Management Agency (FEMA) reimbursement; however, all hours worked still must be recorded on the DSHS personnel activity report (DSHS form 03-437), DSHS time and attendance report (DSHS form 03-458), or DSHS leave tracker.
 - b. Staff must submit DSHS personnel activity report (DSHS form 03-437), DSHS time and attendance report (DSHS form 03-458), overtime request and authorization form (DSHS form 03-423), or DSHS leave tracker to time and attendance, if applicable.
 - c. Time and attendance staff must forward the DSHS personnel activity report (DSHS form 03-437), overtime request and authorization form (DSHS form 03-423), and DSHS time and attendance report (DSHS Form 03-458) to the OAS chief.

D. Salary and benefits

1. OAS must follow the continuity of operations plan (COOP) during emergencies or disasters.
2. OAS chief or designee must transfer any eligible personnel charges to the line of coding established for FEMA reimbursement using a unique project code for the declared state of emergency or disaster each month. They must:
 - a. Allocate personnel costs to the original line of coding established for the position.
 - b. Code temporary staff, that have been hired specifically to assist with the declared state of emergency or disaster, directly to the

emergency account coding.

- c. Submit exchange hours to the Washington Military Department Emergency Management Division (EMD) along with a copy of DSHS's policy that outlines when an individual is entitled to earn exchange time during an emergency.

E. Submitting an emergency purchase over \$30,000

1. Administrations must initiate the emergency filing justification letters to the DSHS secretary and DES director, complete the DES emergency filing justification form and submit the purchase order and supporting documentation to their assistant secretary for approval. Review the DSHS central purchasing unit (CPU) SharePoint, purchases exempt from competition, subject 3: emergency purchases over \$30,000.
2. Once approved, the administration must forward the letters and filing justification and any supporting documentation to the DSHS secretary for approval.
3. Once approved by the DSHS secretary, the secretary will forward the letter, form and supporting documentation to the DES director and CPU will initiate the filing to DES through the sole source contracting database (SSCD).
4. CPU will forward a copy of the signed form and supporting documentation to the OAS chief.

F. A unique code will be established to identify the emergency/disaster expenditures

1. OAS establishes a unique project code for each emergency or disaster and notifies DSHS administrations of the code assigned.

G. Fiscal program managers must:

1. Review and approve or deny payments according to the standard procedures.
2. Review, verify, and/or assign emergency or disaster account coding.
3. Gather and submit all cost related documentation to OAS when requested.

H. Obtaining federally declared state of emergency or disaster reimbursement

1. OAS collects, tracks, and summarizes all costs related to the emergency or disaster.

After the emergency or disaster is over, OAS will close out the expenses:

- a. Perform a review of expenditures for reasonableness and partner with FPMs to ensure that all applicable costs have been accounted for.
 - b. If seeking FEMA reimbursement, emergency or disaster expenditures need to be moved to general fund state.
 - c. If not seeking FEMA reimbursement, emergency or disaster expenditures need to be reviewed to ensure eligibility of federal participation.
2. OAS makes a determination whether to pursue federal reimbursement, based on costs incurred related to the DSHS emergency or disaster response.
3. If OAS decides DSHS will pursue reimbursement, they will provide cost information to the office of emergency management, broken down by reimbursable category.
4. The office of emergency management coordinates the completion of application documents provided by state EMD, including authorized signatures, and provides electronic copies to OAS.
5. If OAS decides not to pursue reimbursement, they will retain cost records.