

FINANCIAL

Planning for the financial issues faced during and after a natural disaster will be critical in order to manage and implement the other good planning of the district. Prior planning for financial documents, records, and accounts will allow personnel to focus on the major recovery tasks with a clear understanding of the financial assets available.

BEFORE THE EVENT

1. Cost of this planning process: The U. S. Department of Education Office of Safe and Drug Free Schools has grant funds available to assist districts with this planning process.
<http://www.ed.gov/programs/dvpemergencyresponse/index.html>
2. Insurance: Be sure the district has access to insurance policies and contact information for carriers and agents. Store these documents (in a portable form) in a location that can be reached easily during an evacuation or locate duplicate copies in a remote location. Consider saving documents in electronic format in a remote location that can be accessed from the internet by authorized personnel.
 - a. Carefully review insurance coverage for buildings, vehicles, and equipment in case of natural disasters or other emergencies. Be sure it is sufficient to cover the potential disaster specific to that local area.
 - b. Does the district know how to secure advances on insurance settlement?
 - c. FEMA reimbursements exclude insurance settlement proceeds.
3. Banking: The disaster recovery process will demonstrate the importance of maintaining a fund balance, which can be critical for immediate response activities before insurance settlements and FEMA reimbursements can be accessed.
 - a. Where and how much are the district's assets?
 - b. How can the district access the funds in the events of an emergency? Who will be authorized and how liquid are the resources?
 - c. Determine if the financial institution can be accessed from a remote location. The district may actually be functioning from offices outside the city.
 - d. Consider a Board resolution on designated parties who can access funds. Recognize that the usual financial officers may not always be available; a list of back-up individuals may be important.
4. In the planning process determine possible sources of revenue in the event of various disasters.
 - a. Property assessment value may be significantly reduced, limiting the income from property tax for years.
 - b. Average daily attendance may be lowered. Gradual increase will allow for increasing expenses.
 - c. It will be important to manage and cut back expenses for the smaller enrollment to balance with anticipated reduced revenues.

- d. Carefully scrutinize all sources for restrictions, limitations and requirements to be sure the district can comply.
- e. Explore possible sources of revenue:
 - i. FEMA
 - ii. Federal Community Disaster Loans (CDL)
http://www.fema.gov/government/grant/fs_cdl.shtm
 - iii. Federal Community Development Block Grants (CDBG) through local government.
<http://www.hud.gov/offices/cpd/communitydevelopment/programs/>
 - iv. Foundation Grants
 - v. Federal Opportunities/Appropriations from HUD, DOE, or DOA.
- 5. Budget for immediate pre-storm precautions: stockpiling supplies, boarding up buildings, securing or protecting equipment, fueling fleet, acquiring generators – in order to determine impact on fund balance.
- 6. Develop estimates/budget for possible initial expenses: temporary housing, temporary buildings, emergency repairs, replacement vehicles, temporary security precautions/fencing, facility assessment and preliminary planning, etc.
 - a. Identify contractors/vendors who have ability to provide services or deliver goods on credit. This will postpone the financial impact until insurance settlement or government assistance is realized.

AFTER THE EVENT

1. During the recovery process, the district will need a careful analysis to modify budget(s) to reflect reduced enrollments and accompanying expenses.
 - a. By determining which expenses are per student and which are fixed costs, the district can calculate per student costs for different student populations and project how to respond as student population gradually increases.
2. The district will be faced with determining how the district must prioritize where to allocate limited resources. Some typical, difficult decisions may include:
 - a. Decisions on whose and how much payroll to cover and for how long. When enrollment is drastically reduced, the district won't need all personnel. However, faculty and staff will not have other jobs and will be counting on the salary for regular living expenses. A policy decision will be needed either prior to events or quickly after, when an assessment of the scope of reductions is possible.
 - b. Decisions on extent of continuation of benefits will also be necessary if there's a long recovery period anticipated. Inactive personnel will need to understand the length of coverage available.
3. Payroll: The district will need personnel who can generate paychecks or make direct salary deposits. This may have to function from a remote location and designating multiple personnel will assure that an individual with the necessary training and skills is available.
4. Refine estimates/budget for initial expenses to correspond to actual needs: temporary housing, temporary buildings, emergency repairs,

replacement vehicles, temporary security precautions/fencing, facility assessment and preliminary planning, etc.

- a. Contact contractors/vendors who have previously agreed to provide services or deliver goods on credit in order to postpone financial impact until insurance settlement or government assistance is realized.
5. Coordinate with FEMA on required future coverage to ensure maximum assistance in case of future events.

TASK LIST

BEFORE THE EVENT

1. Seek grant funding to cover the cost of the disaster planning process.
<http://www.ed.gov/programs/dvpemergencyresponse/index.html>
2. Insurance: Review coverage.
3. Insurance: Store documents in a safe, secure, accessible, transportable location. Create electronic copies of documents.
4. Insurance: Have list of all contact information available after an event.
5. Insurance: Determine procedures to secure insurance advances after an event.
6. Banking: Maintain a fund balance for possible recovery situations.
7. Banking: For district's assets, determine and document in a recoverable, accessible format where they're located, how much is liquid, and who will be authorized and how to access these funds.
8. Explore opportunities for funding after an event.
9. Develop a budget for immediate pre-storm precautions.
10. Develop estimates/budget for possible initial expenses after an event.
11. Identify contractors/vendors to provide services or deliver goods on credit.

AFTER THE EVENT

1. Modify budget(s) to reflect reduced enrollments and accompanying expenses.
2. Prioritize where to allocate limited resources: Decide whose and how much payroll to cover and for how long.
3. Prioritize where to allocate limited resources: Decide the extent of continuation of benefits
4. Payroll: Designate personnel to generate paychecks or make direct salary deposits.
5. Refine estimates/budget for initial recovery expenses to correspond to actual needs.
6. Contact contractors/vendors to provide services or deliver goods on credit.
7. Determine type and amount of future insurance required by FEMA.