DEPARTMENT OF ECOLOGY
State of Washington

Toxics Cleanup Program Procedure

Procedure 550A

Resource Contact: Policy and Technical Support Staff

References: RCW 70.105D.050
RCW 70.105D.055
WAC 173-340-550
Policy 550A Cost Recovery

Established: November 15, 1995

Revised: February 13, 2015

Procedure 550A: Cost Recovery under a MTCA Order or Decree

ORDER, DECREE ROUTING PROCEDURE:	
Cleanup Project Manager **-or-** **Community Outreach and Environmental Education Specialist** [1]	1A. Loads final signed and dated order or decree into TCP's Document Storage and Retrieval System (DSARs). Enters project data into the Integrated Site Information System (ISIS). Emails the DSARS link to the TCP Information & Policy Section Administrative Assistant (or delegate) with request to begin billing for costs incurred at the site. Includes the following information in the e-mail: • The link to the document in DSARs • Cleanup site name and number (CSID) • Facility/Site number (FSID) • Super Index Code (SIC) • Payment schedule (generally quarterly) • PLP contact person and address for billings • Whether past costs are included or excluded (past costs are generally included). If excluded, state the date billing starts. • Level of backup documentation required for invoices, if different from standard billing package (described in Step 14 below). 1B. Submits accurate Site Logs with timesheets on a timely basis to ensure that cost recovery can begin.

[1] In CRO this is typically done by the Cleanup Project Manager; in other offices the COEES typically does this.

TCP Information & Policy Section Administrative Assistant (or delegate)	2. Updates spreadsheet of orders and decrees (aka MTCA Legal Repository Spreadsheet). 3. Prints and distributes two (2) hard copies of the e-mail, as well as the order or decree, to the TCP Financial Services Unit Cost Recovery Coordinator.
TCP Financial Services Unit Cost Recovery Coordinator	4. Retains one copy of the order or decree. 5. Transmits one copy of the final decree or order to Ecology's Fiscal Office Cost Recovery Unit with a signed memorandum requesting that cost recovery begin.

DOCUMENT MAINTENANCE and COST RECOVERY TERMINATION:	
Cleanup Project Manager	6. Notifies TCP Financial Services Unit Cost Recovery Coordinator when: • The Ecology Cleanup Project Manager changes. • The PLP contact person or address changes. • The order or decree has been amended or superceded by another order or decree. Send a DSARs link to the new document to the TCP Information & Policy Section Administrative Assistant (or delegate) per Step 1, above. • The order or decree has been satisfied and billing can cease. *Send a copy of the notice of satisfaction in this case.* • Any time cost recovery has been terminated for any of the reasons stated in Step 23. • Becomes aware the PLP has declared bankruptcy, since it may be necessary to stop sending invoices (depending on Court orders).
BILLING PROCEDURE:	
Cleanup Project Manager, **Assistant Attorney General (AAG),** **-and-** **Other Staff Assigned to Site**	7. For each pay period, prepares a timesheet of hours spent working on the site subject to cost-recovery, and a site log documenting what those hours were spent doing. 8. Ecology staff submit this information to their Timekeeper (or delegate).

Timekeeper (or delegate)	9. Verifies that the timesheet and site log hours match. Enters data into Ecology's time accounting system. Confirms employee and supervisor have signed the documents. 10. Stamps final documents with "ORIGINAL SOURCE DOCUMENT IN COST RECOVERY FILE" 11. Makes a copy for the site file: A. *Ecology employees' timesheets:* sends original timesheet and site log to Ecology's Fiscal Office Cost Recovery Unit B. *AAG's timesheets:* monthly, sends site log (but not the timesheet) to TCP Financial Services Unit Cost Recovery Coordinator.
TCP Financial Services Unit Cost Recovery Coordinator	12. Monthly, compiles AAG's site log information and sends the site log summary and site logs to Ecology's Fiscal Office Cost Recovery Unit.
Ecology's Fiscal Office Cost Recovery Unit	13. Files all originals in cost-recovery file. 14. Each quarter, or as otherwise specified in the applicable order or decree, prepares a draft billing package for each site with costs owed. The package includes: • A cover memo with signature block for the Cleanup Project Manager to approve costs or request revisions. • An invoice that includes staff charges, other direct charges, and any interest. Unless otherwise specified by the order or decree, the invoice shall require payment within 30 days, with interest assessed beginning on the 90th day. • Copies of time accounting summary reports for the site for the billing period. • Hourly charge-out rates for employees who direct charge. • Other documentation appropriate for the specific invoice or required by the decree or order.

Ecology's Fiscal Office Cost Recovery Unit	15. Transmits the billing package for each eligible site to the TCP Financial Services Unit Cost Recovery Coordinator.
TCP Financial Services Unit Cost Recovery Coordinator	16. Transmits billing package to Cleanup Project Manager. Billing package may be e-mailed or faxed to the regional office for faster turnaround, with original hard copies to follow via campus mail.
Cleanup Project Manager	17. Reviews billing package for completeness and accuracy of Potentially Liable Party (PLP) information (including correct billing address and PLP contact) and invoice documentation. If there are questions about the billing package, contacts TCP Financial Services Unit Cost Recovery Coordinator. A. If no errors: signs cover memo and transmits the package to TCP Cost Recovery Coordinator; OR B. If errors: corrects and either: • Signs and returns cover memo conditioned upon specified changes being made to billing package; OR • Returns billing package with a memo explaining the issues.
TCP Financial Services Unit Cost Recovery Coordinator	18A. Transmits signed cover memo and billing package to Ecology's Fiscal Office Cost Recovery Unit Fiscal Analyst; OR 18B. Asks the Fiscal Analyst to look into the issues noted and to make any necessary corrections to the billing package. Notifies the Cleanup Project Manager before sending any documentation to the PLP that is different from what the Cleanup Project Manager has approved.
Ecology's Fiscal Office Cost Recovery Unit	19. Prepares final invoice and sends it to the party(s) identified in the approved billing package.

WHEN INVOICE PAYMENTS ARE DELINQUENT:	
Ecology's Fiscal Office Cost Recovery Unit	20. Monthly, sends report of delinquent invoices to TCP Cost Recovery Coordinator. An invoice is delinquent if no payment is received by the due date specified on the invoice (generally 30 days for orders and decrees issued after January 2009, and 90 days for older orders and decrees).
TCP Financial Services Unit Cost Recovery Coordinator	21. Relays delinquency information, as well as cost recovery options, to the Cleanup Project Manager.
Cleanup Project Manager **-or-** **Ecology's Fiscal Office Cost Recovery Unit**	22. Calls PLP or other responsible person, requesting the invoice be paid; documents the response; and shares this information with each other. NOTE: A telephone log must be prepared documenting this contact.
TCP Financial Services Unit Cost Recovery Coordinator	23. If response indicates invoice is unlikely to be paid, notifies the Cleanup Project Manager that a delinquency notice will be sent unless otherwise directed by the TCP Section Manager or Assistant Attorney General. Exceptions include: • The company has filed bankruptcy and Ecology is legally prohibited from sending invoices. • The debt is deemed uncollectable under Administrative Policy 21-06 (Writing off Agency Receivables from the Agency Financial Records). • An alternative payment plan has been established. (Fiscal must be notified of this alternative payment plan.) • A decision has been made to use an alternative enforcement mechanism (see Policy 550A).

Ecology's Fiscal Office Cost Recovery Unit	24. Sends up to three monthly delinquency notices via certified mail, return receipt requested, until payment is made or is told by the TCP Financial Unit Cost Recovery Coordinator not to send additional notices. OR 25. If delinquency notice will not be sent, includes PLP in report of delinquencies under Step 26 below.
MONTHLY REVIEW OF PAST DUE ACCOUNTS:	
Ecology's Fiscal Office Cost Recovery Unit	26. Monthly, compiles list of sites that are past due and sends this list to the TCP Financial Services Unit Cost Recovery Coordinator.
TCP Financial Services Unit Cost Recovery Coordinator	27. Sends e-mail to cleanup project managers with sites on the delinquency list, requesting instructions on what action should be taken next at their site.
Cleanup Project Manager	28. Reviews delinquency report for accuracy. After consultation with Section Manager, responds to TCP Financial Services Unit Cost Recovery Coordinator identifying what actions are recommended as next steps to resolve debt.
TCP Financial Services Unit Cost Recovery Coordinator	28. Consults with Fiscal on responses received. 29. Compiles "Summary Report" of delinquencies. This includes for each site: • Site name • Cleanup site number • Region • Cleanup Project Manager • Amount owed • Actions taken by fiscal to date to collect debt; and • Additional actions requested by the Cleanup Project Manager to resolve debt. 30. Sends Summary Report to TCP Budget Manager.
TCP Financial Services Unit Cost Recovery Coordinator **-and-** **TCP Budget Manager**	31. Monthly, reviews delinquency report with TCP Management Team, and discusses strategy for resolving debt.

TCP Management Team	32. Decides appropriate enforcement action considering the following factors: • Amount of debt • Age of debt • Ability of PLP to pay • Marketability of property (for liens) • Legal mechanism under which invoice has been sent • Likely success of specified action • Stage of cleanup • Bankruptcy status

Note:

This procedure is solely to guide Ecology staff, and is not intended to impose any mandatory duties or obligations on Ecology. It does not create rights, substantive, or procedural, enforceable by any party in litigation. Ecology may act at variance with this procedure or change or withdraw this procedure at any time.

Approved:

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Toxics Cleanup Program

2/19/15
Date: