



Office of Cerro Grande Fire Claims

Business Interruption Handbook

Cerro Grande Fire Assistance Act



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Purpose

This Business Interruption Handbook ("Handbook") was developed by the Federal Emergency Management Agency ("FEMA") and by PricewaterhouseCoopers' Business Interruption specialists to guide a claimant through the process of preparing and filing a business interruption claim under the Cerro Grande Fire Assistance Act ("CGFAA"). This Handbook was designed to provide a claimant with the following information:

- When and where to file a claim.
- The general concept and purpose of a business interruption claim.
- Types of documents needed to support a business interruption claim.
- Examples of how to calculate a business interruption claim.

Business interruption claims as a result of the Cerro Grande Fire are governed by the Policy Guidelines ("Guidelines") prepared by the Office of Cerro Grande Fire Claims ("OCGFC"). The Guidelines set forth the requirements for claims filed under the CGFAA to be eligible for compensation. The information in this Handbook is only a guide to help claimants prepare a business interruption claim. Each claim must be resolved on a case-by-case basis with the OCGFC claims reviewer assigned.

The Guidelines and this Handbook include information about items that may be eligible for compensation. However, an Authorized Official will determine eligibility based upon the information submitted by the claimant and the claims reviewer, that a claimant did, in fact, suffer the loss in question and the extent of the loss suffered. It is the responsibility of the claimant to provide adequate and timely supporting documentation to the claims reviewer in order to resolve the claim.

By no means does this Handbook supercede any of the Guidelines in relation to the CGFAA. In the event the Handbook is in conflict with the 1) CGFAA, 2) the implementing regulations, or 3) the Guidelines, then the CGFAA, Regulations and Guidelines will take precedence.

Business Interruption Concepts and Terms

What is Business Interruption?

Business interruption is a general concept, which relates to the disruption of normal business operations as the result of an identifiable event beyond the business entity's control. The term business interruption is often used in insurance or legal contracts in relation to the financial impact on a business during a defined period of time. Business owners that believe they have suffered a business interruption loss as a result of the Cerro Grande Fire, have an option to file a business interruption claim under the CGFAA¹.

Business Interruption — CGFAA

The objective of the CGFAA business interruption claim process is to compensate claimants for the financial loss directly resulting from the Cerro Grande Fire.

Basic Procedure

The procedure to calculate a business interruption claim under the CGFAA is as follows:

1. Project the net income/(loss) before income taxes that would have been earned had the Cerro Grande Fire not occurred,
2. Add all normal operating expenses that continued (were incurred for business reasons) during the loss period, and
3. Add any extra or additional expense that was incurred to return business operations to normal.

Basic Formula

Business Interruption = Net Income/(Loss) + Continuing Expenses + Extra/Additional Expenses

¹ Choosing options

The CGFAA requires that claimants who wish to make a claim for assistance against the United States for losses suffered as a result of the Cerro Grande Fire must make an election as to how they wish to proceed. They may either file a claim or a lawsuit against the United States or make a claim under the CGFAA. The intent is that by filing under the CGFAA, any and all rights one might have to make a claim against the government are waived - not only under the Federal Tort Claims Act but also "under any other provision of law," whatever those rights might be. A claimant can consult with an attorney to determine whether he/she is in fact giving up the right to sue the Federal government "under any other provision of law."

The OCGFC understands claimants' concerns about having to decide whether to proceed with a claim under the CGFAA or under another authority, such as the Federal Tort Claims Act. For help in making a decision about filing under the Cerro Grande Fire Assistance Act, feel free to discuss the process with an OCGFC Customer Service Representative. To pursue a claim under the FTCA, an individual must first file an administrative claim with the Department of Interior. Only after that claims process has been concluded can a lawsuit in Federal Court be filed. For more information about the FTCA process, call the Department of Interior at 505-988-6200.

When filing a claim under the CGFAA a claimant will need to provide the claims reviewer with documentation to support the business interruption claim. As each claim is unique, supporting documentation for each claim will be different as well. This Handbook provides a checklist of potential documentation that may be used, however, the claims reviewer is a claimant's best resource to consult regarding what documentation is required.

Translating Financial Statement Information into a Business Interruption Claim

This section will define typical accounting terms used for a business' income statement and demonstrate how the information is translated into the elements of a business interruption claim. For example, an income statement may include the term, fixed expenses. Such expenses may be considered "continuing expenses" for business interruption purposes.

Figure 1 and the following terms relate to how a business' income statement (also referred to as a profit and loss statement), is one of the primary documents used in preparing a business interruption claim.

Income Statement

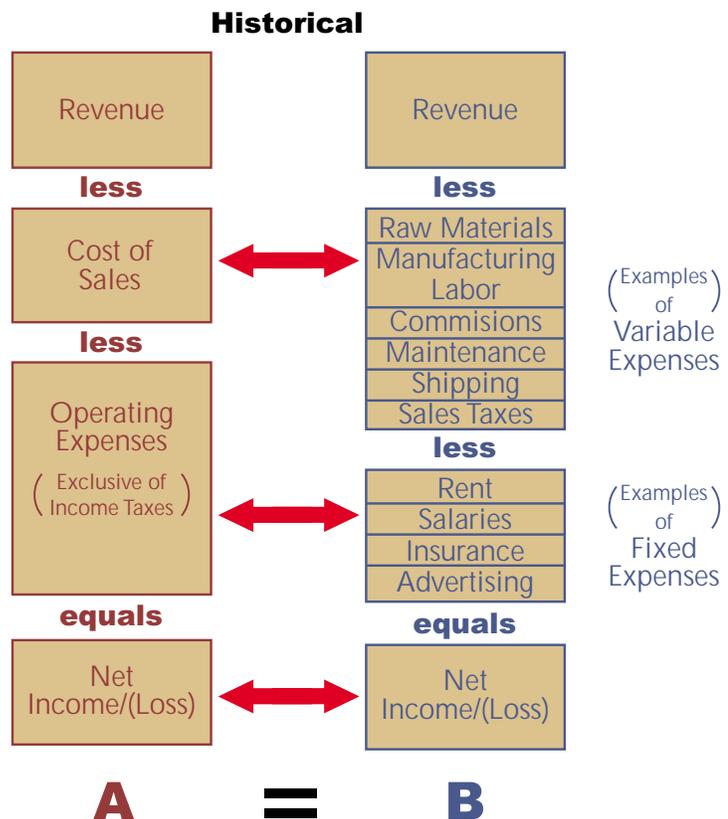


Figure 1

**Figure 1 -
The Income Statement**

Figure 1 is a graphical representation of the components of the income statement. Column A depicts the income statement formula of revenue less cost of sales less operating expenses (exclusive of income taxes) equals net income/(loss) before income taxes. Column B demonstrates that the cost of sales and operating expenses are comprised of both variable and fixed expense components (exclusive of income taxes).

Revenues

Sales of products, merchandise, services, and earnings from interest, dividends, rents, and wages; transactions resulting in increases in assets.

Example: If a painter paints 4 fences a day at \$50 a fence, his daily revenue is 4 x \$50, or \$200.

Cost of Sales

The total cost of goods sold during a given accounting period, determined by ascertaining for each item of sale the invoice and such other costs pertaining to the item as may have been included in the cost of goods purchased.

Expenses

Outflows or other use of assets or incurrences of liabilities (or both) during a period as a result of delivering or producing goods, rendering services, or carrying out other activities that constitute the entity's ongoing major or central operations.

Operating Expenses

Expenses incurred in conducting the ordinary major activities of an enterprise, usually divided into two categories: selling expenses and general and administrative expenses. Examples of operating expenses include:

- Payroll and payroll taxes,
- Rent, and
- Utilities.

**Net Income
(Net Profit or Loss
before Income Taxes)**

Revenue less cost of sales, less operating expenses. The term "net income" is sometimes referred to as "net profit" in insurance policies and legal documents. The Handbook uses the term "net income."

Variable Expenses

Expenses that vary directly, sometimes proportionately with business volume.

Fixed Expenses

Expenses that do not vary with business volume. Examples of fixed expenses include:

- Rent,
- Property taxes,
- Interest on bonds,
- Certain portions of selling and general overhead, and
- Depreciation.

Figure 2 and the following terms relate to a business interruption loss prepared under the CGFAA. In addition, Figure 2 demonstrates how the information from a business' income statement is translated into a business interruption claim.

CGFAA Business Interruption Loss

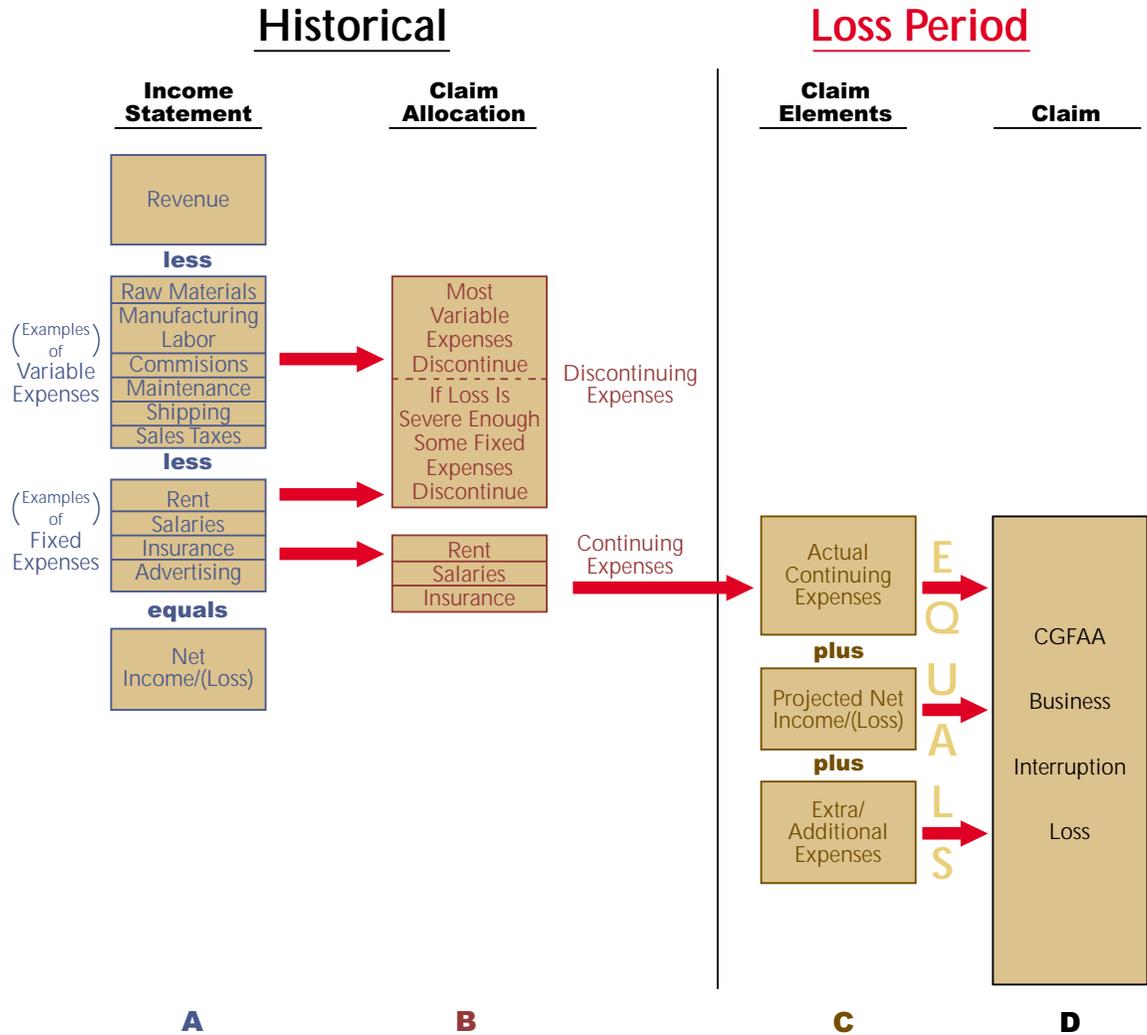


Figure 2

Figure 2 - Business Interruption Loss

Figure 2 is a graphical representation of the components of a CGFAA business interruption loss. Column A depicts the income statement formula of revenue less all expenses (exclusive of income taxes) broken down into its fixed and variable components, equaling net income/(loss) before income taxes. Column B shows that these fixed and variable expenses can be segregated based upon whether they are either continuing or discontinuing during the period of loss. Columns C and D

demonstrate that a CGFAA business interruption claim is comprised of the following amounts during the loss period, the projected net income/(loss) expected to be earned the actual continuing expenses incurred and extra/additional expenses incurred.

Period of Loss

The period of time beginning with the date a claimant's business was impacted by the Cerro Grande Fire and ending with the date business operations returned to normal, but not later than August 28, 2002, in accordance with the CGFAA.

Continuing Expenses

Normal operating expenses that are incurred during the period of loss. Examples of continuing expenses include:

- Rent,
- Utility costs (electric, water, gas and telephone), and
- Payroll and payroll taxes, if employees were paid during the period of loss.

(Note: Employers will be asked to provide a list of all employees and their social security numbers for cross referencing purposes in the event the business' employees make a claim for lost wages.)

Example: ABC Company was closed for two weeks as a result of the Cerro Grande Fire. Even though they were not operating during the two-week loss period, they still had to pay rent for the entire month. In this case, the rent for the two-weeks the business was closed is a continuing expense.

Discontinuing Expenses

Expenses that are not incurred during the loss period. Examples of common discontinuing expenses include:

- Sales commissions,
- Sales taxes,
- Bad debt expense,
- Credit card transaction fees,
- Sales discounts,
- Payroll and payroll taxes if employees were not paid during the loss period, and
- Raw materials if not producing any product.

Example: ABC Company normally has their windows washed once per month. Because they were closed as a result of the Cerro Grande Fire, they did not have the windows washed in May and therefore, did not incur the window washing expense. In this case, monthly window washing is a discontinuing expense.

Extra/Additional Expense

Expenses incurred over and above normal operating expenses to continue business operations. Examples of extra/additional expense include:

- Rent for a temporary location,
- Transportation expenses incurred to relocate to a temporary location, and
- Additional advertising when business operations resume.

Example: ABC Company rented temporary office space during the evacuation period. They continued to pay rent at their evacuated Los Alamos office while they paid rent for the temporary office. The temporary office rent is an extra expense.

Claims Reviewer

The burden of proving losses and damages rests with the claimant. However, claims reviewers will help claimants make their case and help them maximize the amount of compensation that they may receive. It is the responsibility of the claims reviewer to ask questions, define the necessary documentation needed, determine what is reasonable and recommend payments or denials to the authorizing official. Claims reviewers have no authority to approve payments, only the authorizing officials have that authority.

The best place for a claimant to begin the process of filing a business interruption claim under the CGFAA, is to meet with their claims reviewer. Keep in mind that the claims process will be more efficient and successful if claimants use the expertise of the claims reviewer in the preparation, documentation and submission of their claim. Good claims start with good documentation. A claimant's failure to file documentation to support their claim in a timely manner could delay the claims process or even cause the claim to be denied.



Frequently Asked Questions

Listed below are some questions related to business interruption losses that have been frequently asked by claimants:

Loans

Q. If the Small Business Administration ("SBA") has determined that a claimant is eligible for a loan for fire-related losses, will the CGFAA repay to SBA the total amount of funds disbursed to a claimant under the loan?

A. If the CGFAA compensation being provided to a claimant duplicates the purpose and amount of an SBA loan, the compensation will be used to repay the SBA disaster loan. Repayment of the eligible amount will be made directly to the SBA by the OCGFC. Only amounts already disbursed by SBA will be repaid. However, if OCGFC determines that the type of losses or the dollar value of the losses was less than the amount determined by SBA, the amount repaid may not exceed the type and amounts determined by OCGFC. If a claimant chooses not to file a Notice of Loss, their SBA loan terms and conditions will remain as initially agreed.

Q. Will the CGFAA pay off the principal on non-SBA loans taken out for Fire related losses?

A. Claimants are allowed to spend funds received under the CGFAA in any way they choose, except for those which duplicate funds received from the SBA for disaster recovery loans or which are meant for mitigation items. As a result, the OCGFC cannot ensure repayment of any loan or debt, other than to the SBA. This is also consistent with the regulations that specifically exclude lenders holding mortgages or security interests from the definition of an "injured person" and that precludes the assignment of claims and the right to receive compensation for claims.

Q. Will the CGFAA pay the interest on SBA and non-SBA loans taken out for Fire related losses?

A. The CGFAA provides for payment of interest charges on an SBA disaster loan. If a claimant has taken out a non-SBA loan for Fire-related losses and can demonstrate that all or part of the loan was used for Fire-related losses, OCGFC will reimburse the interest incurred on the amount of the loan attributable to the Fire-related losses.

Business Interruption Losses

Q. How should actual Fire-related business interruption losses be calculated?

A. Generally business interruption losses should be based upon historical patterns or trends. This may be based on earnings for the previous 2 or 3 years. Or it may be based upon the same month(s) in previous years as the month(s) in which the loss took place. This would take into account seasonal variations attributable to the claimant's business. The method and the period of time to be used in establishing a trend must be determined on a case-by-case basis and will depend upon the specifics and characteristics of the claimant's business.

Q. What time period should be used in calculating business interruption claims?

A. The method that best applies to the situation should be used. Each claim or business should be evaluated on a case-by-case basis. Some factors to consider may be whether the business provides services or whether it is a retail/product based business. Also to be considered is whether the business has seasonable variations, in which case the comparison/trending should be based upon a comparable time frame; i.e. same month for the past 3 years as opposed to every month during the previous 3 years.

Q. How do you calculate business interruption losses for a set period of time when, subsequent to that period of time, there has been an increase in revenues attributable to the Fire?

A. If a claimant requests compensation for business interruption for actual damages for a set period of time; e.g. two weeks following the disaster, the loss may be calculated based solely upon the past history of the business. Future increases in income attributable to the Fire need not be taken into account. However, if the claimant is or will be requesting projected business earnings they should be advised that the subsequent increase will be taken into account when considering the projected loss.

Q. How do you calculate business interruption losses for a start-up business?

A. Various things should be looked at in order to calculate business losses for a start-up business, including the following: present and past income attributable to the business, contracts in place for purchase, or

distribution rights, etc. Where the loss is entirely speculative because there is no revenue history and it cannot be demonstrated that there was a reasonable expectation of profits, the claimant will not be compensated for lost profits or the value of his/her lost time. However, a claimant can be compensated for physical damage to the business assets or legitimate continuing expenses attributable to the business; i.e. rent and phone, where those expenses have not already been compensated under the loss of use policy.

Q. In calculating average losses for a set period of time (days/weeks/the evacuation period), should every day in the week/month be used?

A. When appropriate, the claim should document how many days a week the business was normally open. For instance, if the business were normally open 5, rather than 7 days a week, revenues/losses should only be averaged over the 5-day period.

Preparing a Business Interruption Claim

This section of the Handbook provides some examples of typical business interruption calculations. These examples are only to be used as a guide and do not consider every situation that may impact a claimant's particular business claim. Each claim must be evaluated on a case-by-case basis taking into account the facts of each particular case, including the type of business affected.

Both the *Translating Financial Statement Information into a Business Interruption Claim Section* and the *Documentation Checklist* in this Handbook will help as claimants work through the examples and can be a useful resource in preparing their claim. Included are several examples to show some of the situations that should be considered in preparing the claim. If a claimant's business was interrupted only during the evacuation period, please review Example #1. If a claimant's business was impacted beyond the evacuation period, or was seasonal, Example #2 provides information in this area. Example #3 illustrates a business that had both a loss of sales and incurred extra expense.

Example #1

Business Impacted only during the Evacuation Period

The Bakery, Inc.

Due to the evacuation resulting from the Cerro Grande Fire, The Bakery, Inc. was forced to close on May 7, 2000. The shop was unable to produce or sell any bakery products for 2 weeks until it was able to once again open its doors to the public on May 21, 2000. Sales immediately returned to normal levels.

How should The Bakery, Inc. calculate its business interruption loss?

STEP 1: Determining the Period of Loss

The first step is to determine the period of loss for The Bakery, Inc. (see definition in *Translating Financial Statement Information into a Business Interruption Claim Section*). This time period is the number of days that The Bakery, Inc.'s sales were negatively affected as a direct result of the Cerro Grande Fire. In this example, the period of loss is 14 days because The Bakery, Inc. had no sales between May 7, 2000, and May 21, 2000, and sales resumed to normal when The Bakery, Inc. re-opened on May 21, 2000.

The Bakery, Inc. will need to provide the claims reviewer with documentation to support revenue prior to May 7, 2000, as well as the loss of revenue during the period of loss.

Examples of possible support include (also see Documentation Checklist):

- *Income statements either audited, reviewed or compiled by a CPA,*
- *Income tax returns,*
- *Sales tax returns,*
- *Daily sales receipts prior to, during, and after the period of loss, and*
- *Bank statements.*

Step 2: Projecting Net Income

The second step is to estimate the net income (see definition of net income in *Translating Financial Statement Information into a Business Interruption Claim Section*) that The Bakery, Inc. would have earned had the Cerro Grande Fire not occurred. This is the amount of money The Bakery, Inc. would have left over after they had paid all their bills if they would have operated during the period of loss.

Pre-loss history (income statements):

To calculate the lost net income The Bakery, Inc. would need to look at their business results from the months prior to the Cerro Grande Fire. This is a key predictor of what the business would have done during the period of loss. The months just prior to the incident are the most logical indicators, but sometimes they are not representative. If the business is seasonal, several years of experience may be needed to establish a cyclical profile. (Charting is a useful tool for this task.) Reference The Bakery, Inc.'s pre-loss income statement as detailed on **Exhibit 1**. In general, the monthly sales and expenses have been pretty consistent. It is therefore reasonable to assume the business results for the month of May 2000, would have been similar to the prior months had the business not been closed due to the Cerro Grande Fire. *If the sales and expenses for a claimant's business are not consistent prior to the loss period, due to seasonality of the business or for any other reason please reference Example #2.*

If the sales and expenses for a claimant's business are not consistent prior to the loss period, due to seasonality of the business or for any other reason please reference Example #2.

The average daily sales and expenses are calculated on **Exhibit 1** by averaging each sales and expense category from January 2000 through April 2000. The Bakery, Inc.'s average daily net income for the months prior to the Cerro Grande Fire is \$258 as shown on **Exhibit 1**. This is the daily net income The Bakery, Inc. expected to earn during the

month of May 2000. The Bakery, Inc. was closed 14 days so the estimated lost net income is (\$258 x 14) or \$3,612 as shown on **Exhibit 1**.

The claims reviewer will need copies of the documents a claimant uses in calculating their lost net income. Refer to the Documentattion Checklist for a full listing of documents that could support net income.

Step 3: Calculating Continuing Expenses

The Bakery, Inc. also needs to calculate the expenses that continued while they were closed (see definition of continuing expenses in the section entitled *Translating Financial Statement Information into a Business Interruption Claim*). In the simplest terms, the continuing expenses are those expenses that The Bakery, Inc. had to pay even though they were closed. The continuing expenses for The Bakery, Inc. are identified in **Exhibit 1**. *Please note that the continuing expenses for a claimant's business may be different than this example. The claims reviewers will need documents that support the continuing expenses that were actually incurred. For example, payroll records will be required if a claimant continued to pay employees that were not working or utility bills if these decreased or increased.*

The continuing expenses for The Bakery, Inc. total \$2,730, as shown on **Exhibit 1**.

Step 4: Calculating Extra Expense, if any

The Bakery, Inc. did not incur any extra expense as a result of the Cerro Grande Fire. Refer to the section entitled *Translating Financial Statement Information into a Business Interruption Claim* for a definition of Extra Expense. Example #3 includes an Extra Expense calculation.

Step 5: Completing the Business Interruption Claim Calculation

The Bakery, Inc.'s business interruption loss is **\$6,342** (see **Exhibit 1**) which is the combined total of the projected lost net income, the continuing expenses during the loss period and the extra expense.

EXHIBIT 1

The Bakery, Inc. Income Statement For the Five Months Ended May 31, 2000

	January - April 2000	Daily Average	May 7-21, 2000 Projected	Actual	Continuing Exp.	Lost Net Income	Extra Expense	Business Interruption Loss
Gross Sales	\$66,400	\$553	\$7,742	\$0				
Sales returns and allowances	184	2	28	0				
Net Sales	66,216	551	7,714	0				
Cost of goods sold	10,504	88	1,232	0				
Operating expenses								
Selling expenses								
Payroll	17,000	142	1,988	1,988	\$1,988			
Payroll taxes	3,060	26	364	364	364			
Advertising	900	8	112	112	112			
Delivery*	561	5	70	0				
Total selling expenses	21,521	181	2,534	2,464				
General & administrative expenses								
Electric*	424	4	56	22			22	
Gas*	208	2	28	20			20	
Water*	192	2	28	17			17	
Telephone	200	2	28	26			26	
Supplies*	260	2	28	13			13	
Franchise fees	800	7	98	98			98	
Insurance	600	5	70	70			70	
Total general & administrative expenses	2,684	24	336	266				
Total operating expenses	24,205	205	2,870	2,730				
Net income before taxes	\$31,507	\$258	\$3,612	(\$2,730)	\$2,730	\$3,612	\$0	\$6,342

Note: The Bakery, Inc. operates 7 days a week, 365 days a year.

*The actual expenses for May 7-21, 2000 for each of these categories were less than normal due to the fact the business was not in operation.

Example #2

Business Impacted beyond the Evacuation Period including a Seasonality Factor

This example describes the claims process if sales from a claimant's business are not consistent throughout the year and if the impact to the business was longer than the two-week evacuation period. If a claimant's business results do not vary from month-to-month and the business was interrupted only during the two-week evacuation period, please refer to Example #1.

M's Daycare

A resident of Los Alamos operates M's Daycare from her home. Due to the Cerro Grande Fire, she was forced to evacuate her home and close the business. Upon returning on May 21, 2000, she found her home and business destroyed by the Fire. She was able to find an apartment to live in while her home was being rebuilt. However, local ordinances did not permit her to operate her daycare business from her apartment. She was able to move into her new home in late August 2000, and re-established the Daycare on September 1, 2000.

How should M's Daycare calculate its business interruption loss?

Step 1: Determining the Period of Loss

The first step is to determine the **period of loss** for the Daycare (see definition in *Translating Financial Statement Information into a Business Interruption Claim*). This time period is the number of days that M's Daycare was negatively affected as a direct result of the Cerro Grande Fire. In this example, the period of loss is approximately 4 months because the Daycare was closed from May 7, 2000 until September 1, 2000 as a direct result of damage from the Cerro Grande Fire. However, the Daycare only operates 5 days per week so the actual days affected would be 20 days per month for June, July, and August and 15 days for May for a total of 75 affected days.

A claimant will need to provide the claims reviewer with documentation to support the level of revenue prior to May 7, 2000 as well as the loss of revenue during the period of loss.

Examples of possible support include:

- *Income statements either audited, reviewed or compiled by a CPA,*
- *Income tax returns,*
- *Sales tax returns,*
- *Daily sales receipts prior to, during, and after the period of loss, and*
- *Bank statements.*

Step 2: Projecting Net Income

The second step is to estimate the net income (see definition of net income in the section entitled *Translating Financial Statement Information into a Business Interruption Claim*) that M's Daycare would have earned had the Cerro Grande Fire not occurred.

Pre-loss history (income statements):

To calculate the lost net income, the Daycare would need to look at business results from the months prior to the Cerro Grande Fire. Reference the Daycare's income statement as detailed on **Exhibit 2A**. The income statement as well as the graph of net income indicates that the Daycare's business is seasonal or cyclical in nature. Revenue increases during the summer months due to summer programs the Daycare operates for children that are out of school. This increase in revenue needs to be considered in calculating projected net income. Based on this history, it is reasonable to assume that revenue in May 2000 would be greater than revenue in April 2000. Therefore, performance of the business from January 2000 through March 2000, is probably not a good indicator of the estimated business performance during the loss period. In this case, results from May 1999 through September 1999 provide a better representation of expected results for May 2000 through September 2000. This is most evident in the graph on **Exhibit 2A**.

Net income calculation

Based on the 1999 M's Daycare income statement as detailed on **Exhibit 2A**, it is evident that revenue in the summer months is higher and it is reasonable to estimate a net income amount of \$1,994 per month for May 2000 through August 2000. The Daycare operates on average 20 days per month so the daily net income would be approximately \$100. Therefore, the total estimated net income during the loss period is \$7,500 (75 days at \$100 per day). Refer to **Exhibit 2**. The daycare operated 5 days in May, prior to the Fire, so there are only 15 days in May 2000, that are included in the loss period.

Please note, that if a claimant calculated their lost net income for May 2000 to be \$1,994 under the method described above, but only submitted supporting documentation from January 2000 to April 2000, the logical assumption for the claims reviewer would be to estimate May 2000 net income at \$922. This demonstrates the need to meet with and provide the claims reviewer with all relevant information.

The claims reviewer will need copies of the documents a claimant used in calculating their lost net income. Refer to the Documentation Checklist for a full listing of documents supporting net income.

EXHIBIT 2

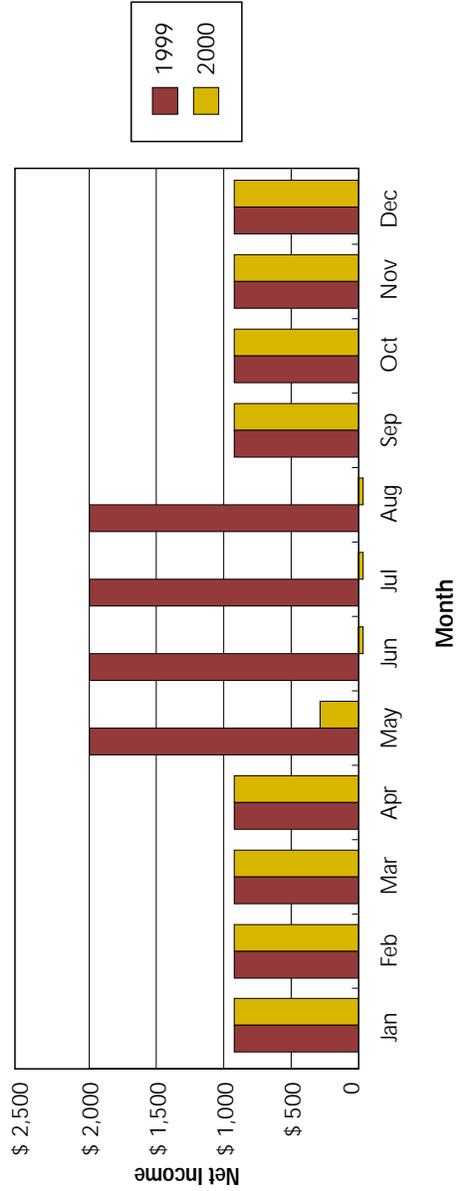
Ms Daycare Business Interruption Claim

Step	Description	Amount
1	Period of Loss (May 7, 2000 to September 1, 2000)	75 lost operating days
2	Net Income Calculation	
	Average net income per month	\$1,994
	Number of days per month the Daycare operates	20
	Equals: Average daily net income (rounded)	\$100
	Times: Days in period of loss	75
	Subtotal	\$7,500
	Less: Actual net income earned during the loss period	0
	Equals: Lost net income	\$7,500
3	Continuing Expenses	
	Licensing fee/per month	\$15
	Insurance/per month	20
	Total per month	\$35
	Number of days per month the Daycare operates	20
	Equals: Average continuing expenses (rounded)	\$2
	Times: Days in period of loss	75
	Equals: Continuing expenses	150
4	Extra Expense	0
5	Total Business Interruption Claim	<u><u>\$7,650</u></u>

M's Daycare
Income Statement

	1999												2000											
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Revenue	\$1,200	\$1,200	\$1,200	\$1,200	\$2,400	\$2,400	\$2,400	\$2,400	\$1,200	\$1,200	\$1,200	\$1,200	\$1,200	\$1,200	\$1,200	\$1,200	\$387	\$0	\$0	\$0	\$1,200	\$1,200	\$1,200	\$1,200
<u>Operating expenses</u>																								
Payroll	100	100	100	100	200	200	200	200	100	100	100	100	100	100	100	100	100	25	0	0	0	100	100	100
Payroll taxes	18	18	18	18	36	36	36	36	18	18	18	18	18	18	18	18	18	5	0	0	0	18	18	18
Electric	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	10	0	0	0	25	25	25
Gas	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	5	0	0	0	10	10	10
Water	15	15	15	15	15	15	15	15	15	15	15	15	15	15	15	15	15	5	0	0	0	15	15	15
Telephone	50	50	50	50	50	50	50	50	50	50	50	50	50	50	50	50	50	12	0	0	0	50	50	50
Supplies	25	25	25	25	35	35	35	35	25	25	25	25	25	25	25	25	25	5	0	0	0	25	25	25
Licensing fees	15	15	15	15	15	15	15	15	15	15	15	15	15	15	15	15	15	15	15	15	15	15	15	15
Insurance	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20
Total operating expenses	278	278	278	278	406	406	406	406	278	278	278	278	278	278	278	278	102	35	35	35	278	278	278	278
Net income before taxes	\$922	\$922	\$922	\$922	\$1,994	\$1,994	\$1,994	\$1,994	\$922	\$922	\$922	\$922	\$922	\$922	\$922	\$922	\$286	(\$35)	(\$35)	(\$35)	\$922	\$922	\$922	\$922

M's Daycare



Step 3: Calculating Continuing Expenses

M's Daycare needs to calculate the expenses that continued while they were closed. It is evident from the income statement that licensing fees and insurance are the only expenses that continue while the daycare is closed. These expenses have a combined average \$35 per month or \$2 per day (rounded) as shown on **Exhibit 2**. *The continuing expenses for a claimant's business will most likely be different than the expenses identified in this example. The claims reviewers will need documentation to support the continuing expenses that were actually incurred. For example, payroll records if a claimant continued to pay employees even though they were not working.*

Again, there are 75 days in the loss period so the continuing expenses are calculated by multiplying 75 days by the \$2 per day continuing expenses for a total of \$150 as detailed on **Exhibit 2**.

Step 4: Calculating Extra Expense, if any

M's Daycare did not incur any extra expense as a result of the Cerro Grande Fire. Refer to the section entitled *Translating Financial Statement Information into a Business Interruption Claim* for a definition of Extra Expense. Example #3 includes an Extra Expense calculation.

Step 5: Completing the Business Interruption Claim Calculation

M's Daycare incurred a business interruption loss of approximately **\$7,650**, (see **Exhibit 2**) which is the combined total of the projected lost net income, the continuing expenses incurred during the loss period and the extra expense.

Example #3

Business Impacted beyond the Evacuation Period with Extra Expense

J. Smith, DDS

Dr. J. Smith operates a dental office in Los Alamos. The dental office normally operates three days per week. As a result of the Cerro Grande Fire, the dental office was closed between May 7, 2000 and May 21, 2000. Dr. Smith had to cancel all the appointments that were originally scheduled during the evacuation period. Upon returning to the office after the evacuation, Dr. Smith was able to reschedule most of the cancelled appointments. Because he already had appointments scheduled during the weeks following the evacuation, Dr. Smith decided to work a few extra days to fit in as many re-scheduled appointments as possible.

How should Dr. Smith calculate his business interruption loss?

Step 1: Determining the Period of Loss

The first step is to determine the period of loss for the dental office (see definition in *Translating Financial Statement Information into a Business Interruption Claim*). This time period is the number of days that the dental office was closed as a direct result of the Fire. In this example, the period of loss is the 14-day evacuation period.

Step 2: Projecting Net Income

The second step is to estimate the net income (see definition of net income in *Translating Financial Statement Information into a Business Interruption Claim*) that Dr. Smith would have earned had the Cerro Grande Fire not occurred.

Pre-loss history (income statements):

Because of the three-day work schedule, it is more practical for Dr. Smith to calculate the number of patients lost rather than the number of days closed. Dr. Smith should look at his weekly patient log and other financial records to determine how many appointments per workday he was averaging prior to the Fire and what the average revenue was from those patients. **Exhibit 3** illustrates that Dr. Smith was averaging approximately 22 appointments per week. If the Fire had not occurred, Dr. Smith should have been able to see 84 patients during the month of May 2000. Dr. Smith was not able to reschedule all of the appointments missed during the evacuation and was only able to fit in 72 patients. Therefore, Dr. Smith lost the revenue from 12 patients (the average of 84 per month less the 72 he was able to see).

Net income calculation

The average net income per patient is identified as \$114 in **Exhibit 3**. It is the average revenue less all of the normal operating expenses for the dental office. Multiplying the average net income per patient of \$114 by the 12 missed appointments gives an estimated lost net income of \$1,368.

The claims reviewer will need copies of the documents a claimant used in calculating their lost net income. Refer to the Documentation Checklist for a full listing of documents supporting net income.

Step 3: Calculating Continuing Expenses

Dr. Smith continued to incur some expenses while the dental office was closed. These expenses, rent, payroll and utilities and are identified in **Exhibit 3**. After collecting copies of invoices and cancelled checks for support, Dr. Smith was able to determine that his continuing expenses during the loss period were \$136 per patient. Multiplying this average continuing expense per patient of \$136 by the 12 missed appointments gives a total continuing expense amount of \$1,632.

The continuing expenses for a claimant's business will most likely be different than the expenses identified in this example. The claims reviewers will need documentation to support the continuing expenses that were actually incurred. For example, payroll records if a claimant continued to pay employees even though they were not working.

Step 4: Calculating Extra Expense

Due to the extra workload created by rescheduling appointments, Dr. Smith had to hire some temporary staff to help out for the last two weeks of May 2000. This is an extra cost that he would not normally have incurred. **Exhibit 3** identifies the total extra expense of \$3,300 incurred for contract labor.

Step 5: Completing the Business Interruption Claim Calculation

The projected lost net income, continuing expenses incurred and extra expense total **\$6,300** as detailed on **Exhibit 3**.

**J. Smith, DDS
Weekly Patient Log/Revenue Register**

Month	Weeks											
	1		2		3		4		Total			
	Patients	Revenue	Patients	Revenue								
Feb-00	23	\$5,750	20	\$5,000	21	\$5,250	20	\$5,000	84	\$21,000		
Mar-00	25	\$6,250	22	\$5,500	18	\$4,500	20	\$5,000	85	\$21,250		
Apr-00	22	\$5,500	21	\$5,250	20	\$5,000	21	\$5,250	84	\$21,000		
May-00	2	\$500	0	\$0	35	\$8,750	35	\$8,750	72	\$18,000		

**J. Smith, DDS
Expenses**

Month	Salaried Personnel	Contract Labor	Total Payroll	Rent	Utilities	Total Operating Exp.
Feb-00	\$9,800	\$0	\$9,800	\$1,000	\$402	\$11,202
Mar-00	\$9,800	\$0	\$9,800	\$1,000	\$420	\$11,220
Apr-00	\$9,800	\$0	\$9,800	\$1,000	\$436	\$11,236
May-00	\$9,800	\$3,300	\$13,100	\$1,000	\$397	\$14,497

Average Revenue per patient* $\$21,000/84 = \250
 Average Expense per patient* $\$11,219/84 = \136
 Average Net Income per patient $\$250 - \$136 = \mathbf{\$114}$
 Number of Missed Appointments x Avg. Net Income $12 \times \$114 = \$1,368$
 Continuing Expenses $12 \times \$136 = \$1,632$
 Extra Expense $\$3,300$
 Total Claim $\$1,368 + \$1,632 + \$3,300 = \mathbf{\$6,300}$

*Based on February through April average.

Other Claim Factors

There are other factors that may influence a claimant's business interruption calculation that should be considered when putting together a claim. Below are a few common factors and how they may be handled in preparing a business interruption claim.

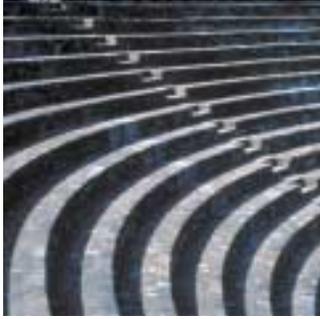
Seasonality

Some businesses experience seasonal variations in their sales and profits that could impact the business interruption calculation. For example, retailers generate higher-than-average revenues during the December holiday season. A business may experience a business interruption loss that prevents it from taking advantage of the seasonal business activity it normally experiences.

Also, suppose a candy manufacturer suffers a loss that causes a shutdown during August and September. One might say that the period of loss is two months; however, the true period of loss will depend on whether or not the candy manufacturer can meet the higher-than-average demand for candy throughout October due to Halloween. If the manufacturer is not able to take advantage of this seasonally high demand as expected, this should be considered when calculating the period of loss and lost net income.

Economic Environment

There are external economic factors both before and after the Cerro Grande Fire that may have had a positive or negative influence on the businesses that have claims. Recent voluntary changes to the traditional work schedule at the Los Alamos National Laboratory is one factor that may have impacted Los Alamos businesses before, during or after the Cerro Grande Fire. Due consideration should be given by a claimant to any of these external factors when preparing their claim as well as explanations provided to their claims reviewer.



Documentation Checklist

In order to begin the process of calculating the business interruption claim, a claimant will first need to gather documentation relative to their business. If the primary source of documentation contained in the following checklist has either been lost or is not maintained, alternate sources of documentation have been identified. Please note that it may not be necessary to collect all of the documentation for any one of the following categories, rather a claimant should discuss with their claims reviewer what documentation is required. This checklist of documentation has been broken down into the following categories: business history, revenue support, and expense support.

Step 1 Business History

1. A brief description of the history of the business, including the following information:

- A description of how the business was impacted by the Cerro Grande Fire,
- Date founded,
- Businesses fiscal year,
- Physical location(s) of business,
- Goods produced and/or services provided,
- Number of employees,
- Main suppliers,
- Main customers, and
- Normal operating hours and days of operation (i.e. 8 hours a day, 5 days a week).

Why is this information needed? This documentation will help the claims reviewer to understand the overall nature and day-to-day operations of a claimant's business. It will also help to determine the exact case-specific factors that need to be considered in the development of the claim.

Proceed to Step 2.

Step 2

Revenue Support

2. Monthly income statements (also referred to as profit and loss statements) which have been either audited, reviewed or compiled by a CPA for both the base period claimed and the loss period. If a claimant does not have audited, reviewed or compiled income statements the following are examples of supporting documents that may contain the same or similar information. The claimant should also consult with their accountant or tax adviser as they may maintain many of these needed records.

Proceed to 2A.

2A. Tax Returns:

The following tax forms can be used to support a claimant's revenue and expenses:

- Form 1040 Schedule "C" for Individuals and Sole Proprietorships,
- Form 1120 or 1120S for Corporations,
- Form 1065 for Partnerships, and/or
- Sales tax returns.

Proceed to 2B.

2B. Even if a claimant is able to obtain tax forms for years prior to the year 2000, they will also need to support their revenue figures for the year 2000 through:

- Monthly bank account statements (available from a claimant's bank if originals are not available),
- Sales tax returns,
- Income statements not certified by a CPA,
- Accounting books and records (i.e. general ledger),
- Accounting software printouts (such as Quicken, QuickBooks or Peachtree),
- Sales records or receipts on a daily or monthly basis, and
- 2000 tax forms, if filed.

Proceed to 2D if 2B was satisfied, if not proceed to 2C.

2C. If a claimant DOES NOT have tax forms, they should gather the following documents to support their entire base period and loss period:

- Monthly bank account statements (available from a claimant's bank if originals are not available),
- Accounting books and records (i.e. general ledger),
- Accounting software printouts (such as Quicken, QuickBooks or Peachtree),
- Sales records or receipts on a daily or monthly basis, and
- Consult with the claims reviewer.

***Why is this information needed?** Depending on a business' pattern of sales, a claimant may be able to estimate what their sales and net income would have been during the loss period simply by averaging or trending the sales of the previous time period.*

Proceed to 2D.

2D. Sales forecasts or business plans demonstrating a claimant's expectations for the business during the period of loss.

***Why is this information needed?** These could be examined to establish what management anticipated for the period in question. If available, it is useful to see how accurate prior forecasts have been in order to determine if the current forecast should be adjusted by some factor to make it more exact.*

Proceed to 2E.

2E. External data (Trade association data, industry information or Department of Commerce statistics).

***Why is this information needed?** If available, this information may show the performance of other businesses in the particular industry during the relevant time period. It may also provide additional support for a claimant's estimated sales and net income figures during the period of loss.*

Proceed to Step 3.

Step 3

Expense Support

3A. Production data for time period before, during and after the loss.

***Why is this information needed?** This information can provide additional support for the volume of a claimant's business during the relevant time period. It will also show the effect of the Cerro Grande Fire on a claimant's production/operations and when the business was able to resume normal levels of production or sales. This could help a claimant to determine the length of the period of loss directly related to the Cerro Grande Fire.*

Proceed to 3B.

3B. Documents that support the level of expenses before, during and after the period of loss, such as:

- Payroll and payroll tax records for all employees,
- Lease agreements to determine rent expense,
- Franchise agreements to determine the amount of fees paid,
- Copies of utility bills,
- Loan agreements to determine interest expense, and
- Contractors' estimates for repairs and copies of actual invoices for all repair work.

If any of these documents are not available:

- Cancelled checks documenting these or other types of expenses that are claimed.

***Why is this information needed?** In addition to a claimant's reimbursement for the income the business lost as a direct result of the Cerro Grande Fire, a claimant may also seek reimbursement for:*

- *the continuing expenses that were paid while operations were down and*
- *the extra expense that was incurred to return the business to normal levels of operation.*

Proceed to 3C.

3C. Details of any loss-related accounts that a claimant's business has set-up in its accounting system for the purpose of recording costs associated with the Cerro Grande Fire.

***Why is this information needed?** The detail of these loss-related accounts may assist a claimant in capturing many of their recoverable Fire related expenses.*



By following the above steps a claimant should be able to collect much of the required information to support their business interruption claim. A claimant should continue to work with their claims reviewer throughout the claims process and should notify them immediately if they cannot produce the suggested documents to support their business interruption claim. Maintaining contact with a claims reviewer throughout the process is advisable in order to maintain claim status and continuity.

Cerro Grande Fire Assistance Act

Introduction

On July 13, 2000, President Clinton signed into law the CGFAA. Congress passed the CGFAA to compensate as fully as possible those parties who suffered damages from the Cerro Grande Fire.

The CGFAA required the Federal Emergency Management Agency (“FEMA”) to design and administer a program for compensating those who suffered personal injury, property losses, business losses and financial losses from the Cerro Grande Fire. The CGFAA allows a potential claimant (or a claimant filing a supplemental claim) until August 28, 2002, to file a Notice of Loss.

Claim Filing Process

Many businesses may have suffered losses as a direct result of the Cerro Grande Fire. These businesses can file business interruption claims under the CGFAA to seek compensation. For the complete regulations, see the CGFAA Interim Final Rule, available at www.fema.gov/cerrogrande.

How to Submit a Notice of Loss

In order to file a claim the affected party must first obtain a Notice of Loss form. This form needs to be filled out and signed and then submitted to the OCGFC. A claim submitted on any form other than a Notice of Loss will not be accepted.

Notice of Loss Form

Obtaining a Notice of Loss

The Notice of Loss form is available on FEMA's website at www.fema.gov, at any Customer Service Center, or may be obtained via mail by calling the Cerro Grande Fire Assistance Line at 1-888-748-1853 or by writing to: Office of Cerro Grande Fire Claims, P.O. Box 1480, Los Alamos, NM 87544-1480.

File by Mail or in Person

In order to submit a claim, the claimant must file by mail or in person. Claims cannot be filed over the phone. However, a claimant does not have to visit a Customer Service Center in order to get assistance on how to fill out the Notice of Loss form. That assistance can be provided by phone through the Cerro Grande Fire Assistance Line at 1-888-748-1853.

A claimant can return the Notice of Loss by mail to: Office of Cerro Grande Fire Claims, P.O. Box 1480, Los Alamos, NM 87544-1480.

Claimants may also file in person at one of the following Customer Service Centers:

Los Alamos

IT Building
235 Central Park Square

Española

Johnson Controls
1027 North Railroad Avenue

White Rock

LANL Bldg. 00-1313
134 State Road 4

Santa Clara Pueblo

tan building at Health Clinic

San Ildefonso Pueblo

Tewa Center

Database information particular to an individual's claim is available at all of the Customer Service Centers, regardless of where or how the Notice of Loss was submitted.

Customer Service Centers Hours of Operation

The Customer Service Centers and the Cerro Grande Fire Assistance Line at 1-888-748-1853 are open six days a week: Monday through Friday, 9 a.m. to 6 p.m., and Saturdays, 9 a.m. to 12 p.m.

Translators

There are translators available either in person or by telephone to provide information and to work with claimants throughout the claims process.

How Much Information is Necessary to File a Notice of Loss

Claimants will be asked to describe their losses in general terms on the Notice of Loss. At the time of filing, they will not be asked to provide documentation that supports their claim. Information on losses and their related dollar values will be requested and collected once a claims reviewer has been assigned to the case.

Deadline for Submitting a Claim

Businesses have until August 28, 2002 to submit a claim under the CGFAA. This is the date by which the OCGFC must receive the Notice of Loss. There will be no extensions for filing a Notice of Loss for a new claim. However, there may be extensions granted in certain situations to prove the nature and extent of a claimant's losses.

Steps of the CGFAA Business Interruption Claim Process

The following are the basic steps involved in the claims process, for business interruption claims. These are the same steps for submitting any type of claim under CGFAA.

1. A Notice of Loss form must be filed with the OCGFC.
2. The claimant will receive an acknowledgement from the OCGFC with a claims number within five business days of OCGFC receiving the Notice of Loss.
3. A claims reviewer will then contact the claimant within five business days of FEMA's acknowledgement letter to set an appointment to begin the claims review process. The claims reviewer will work with the claimant to develop a strategy on how the nature and extent of the claimant's damages can best be verified. **This Handbook should be incorporated into a claimant's preparation of their business interruption claim.**
4. During the development of the claimant's case, the possibility exists that the claims reviewer will recommend or the claimant can request a partial payment. More than one partial payment can be made.
5. After the claims reviewer and claimant have completed reasonable efforts to develop appropriate documentation or other alternatives to document a case, a Proof of Loss will be completed by the claims reviewer to be signed by the claimant.

This Handbook should be incorporated into a claimant's preparation of their business interruption claim.

6. The Proof of Loss reflects what the claimant is requesting, including the claimant's opinion of the nature and value of his/her damages.

7. The claims reviewer will then submit the Proof of Loss with an independent report to an Authorized Official.

8. The Authorized Official will review the case and determine what compensation is owed to the claimant. The claimant will be notified in writing of the Authorized Official's determination.

9. The claimant will then have 120 days after the date that appears on the Authorized Official's determination to either: (1) accept the determination by submitting a signed Certification and Release form, or (2) appeal the determination by filing an administrative appeal with the Director of the Office of Cerro Grande Fire Claims.

10. If the claimant is in agreement with the decision, final payment will be made after the claimant submits a completed Release and Certification form.

11. If the claimant is dissatisfied with the decision, a two-level appeal process is available to the claimant: First, an administrative appeal may be made to the Director of the OCGFC. Second, if the claimant is still dissatisfied, the claimant can appeal again by either electing binding arbitration or judicial review of the case by the U.S. District Court for the District of New Mexico.

Important Considerations

Notification of Privacy Rights

The OCGFC is required to provide a copy of the Privacy Act Notice to claimants. There is, however, no requirement that claimants sign or initial a statement that affirms they have read and understood the notice.

Privacy Protection

In general, the information provided to the OCGFC by an individual or business is not releasable. However, the information will be used to verify a claimant's identity and eligibility, and to determine whether previous compensation or payments were made in connection with the Cerro Grande Fire. In addition, the information may be released when it is authorized by statute or regulation, or when it is needed to perform an authorized audit.

Individual Versus Business Losses

If a claimant also plans to file a claim for their individual loss related to the Cerro Grande Fire, a separate Notice of Loss must be filed for the individual losses and for the business losses. In addition, if more than one business was impacted, a separate Notice of Loss must be filed for each business.

Unincorporated Businesses

An individual who has an unincorporated business (i.e. d/b/a) must include all losses relating to that business on a separate business Notice of Loss.

Multiple Business Owners

A separate Notice of Loss needs to be filed for each business. If a husband and wife each own their own business for example, and in addition, the husband and wife have joint property, three Notices of Loss would need to be filed: one would need to be filed for the wife's business, one for the husband's business, and a third for the property that was jointly owned.

What About Future Losses?

Damages Arising in the Future

The OCGFC is processing claims for projected future business losses. Projected losses must be determined within 180 days after a Notice of Loss is filed, unless a waiver is signed, and in any event prior to the August 28, 2002, deadline for filing claims.

Two Options

The following two options are available to a claimant as to how future business losses can be evaluated:

1. A business can file a Notice of Loss now, and projected losses will be forecasted using the best available data.
2. The claimant can delay filing a Notice of Loss until closer to the period during which the projected losses are anticipated to occur. Again, this will enable more actual data to be accumulated over a longer period of time. In this instance, the claimant will not be able to receive a partial payment for any earlier actual losses.

Duplication of Benefits

Compensation from Other Sources

The CGFAA covers real and personal property losses that were caused by the Cerro Grande Fire that have not been compensated by insurance, FEMA, Small Business Administration ("SBA") or any other source. Anyone who was injured by the Fire but was not fully compensated by other sources for their damages can file a Notice of Loss. An individual or entity is not required to have filed for assistance under FEMA's disaster programs before filing a Notice of Loss under the CGFAA except for costs eligible under FEMA's Public Assistance Program. Any amount already received for the same losses from other sources will be subtracted from the CGFAA award.

Insurance

A claimant may receive payments from the OCGFC even before the claimant has fully settled with the insurance company. The OCGFC, however, will only pay those amounts that are not paid or will not be paid by the insurance company. If the insurance claim is withdrawn before any compensation is received, the OCGFC will provide compensation for all eligible damages.

Other Federal Financial Assistance

A claimant cannot receive duplicate payments from the CGFAA and any other Federal agency. However, under the CGFAA, a claimant may be eligible for compensation for items for which assistance was not received from other FEMA disaster programs or other Federal agencies.

Benefits Provided by Non-Governmental Organizations and Individuals

Disaster relief payments made by a non-governmental organization, like the American Red Cross, or an individual, other than wages paid by a claimant's employer or insurance payments, should be disregarded in evaluating a claim and need not be disclosed by claimants to the claims reviewers. Such assistance is not a duplication of benefits and should not be applied to reduce the amount due.

Claim Preparation Expenses

Claims Preparation

The OCGFC will compensate businesses for business interruption claim preparation expenses. For each Notice of Loss filed and approved by an Authorized Official, claimants will receive one percent of the amount compensated through the CGFAA and insurance. Payments will range from a minimum of \$100 per claim to a maximum of \$3,000 per claim.

Tax Implications

General Guidelines

There is no broad exemption from taxation under either the Federal Tort Claims Act ("FTCA") or the CGFAA, and normal tax rules regarding judgments and settlements apply to payments made under both.

Under Section 6041(a) of the Internal Revenue Code, Federal agencies are required under certain circumstances to report the payment of \$600 or more to an individual or unincorporated business as miscellaneous income on a Form 1099. FEMA must comply with the requirements of Section 6014(a) of the Internal Revenue Code.

Obligation to Pay

Even if the OCGFC does not send a claimant a Form 1099, the claimant may still be required to pay taxes on all or a part of the CGFAA payments, to the extent that the payments include taxable income. In some cases, all of what is paid under the CGFAA will constitute taxable income; in other cases, some or none of what is paid will constitute taxable income. Again, claimants may wish to consult with a qualified tax advisor or with the IRS to determine their particular tax obligations.

IRS

The Internal Revenue Service has authority to examine FEMA's records, and the OCGFC will cooperate in answering inquiries from the IRS. You can also visit the IRS website at www.irs.gov.

Office of Inspector General

As with its more traditional disaster operations, FEMA will work with its Office of Inspector General ("OIG") to ensure that the provision of assistance to Cerro Grande Fire victims is done in accordance with applicable laws and regulations. Any criminal attempt to defraud the Federal Government in connection with disaster relief, including Cerro Grande Fire claims, will be vigorously pursued. Claiming false losses is subject to felony charges and carries a maximum prison term of 5-10 years and/or up to \$250,000 in fines. If anyone is aware of possibly fraudulent activity in connection with the Cerro Grande Fire compensation program, information can be anonymously reported to the OIG by calling the toll-free fraud hotline at 1-800-323-8603. The hotline is in operation 24 hours a day, 7 days a week.



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