

U.S. Department of Energy Guidance for Preparation of Reimbursement Claims under Title X of the Energy Policy Act

Revision 2

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Management

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Abbreviations

AEA	Atomic Energy Act
CFR	<i>Code of Federal Regulations</i>
DOE	U.S. Department of Energy
DOE-EM	DOE Office of Environmental Management
FASB	Financial Accounting Standards Board
GAAP	generally accepted accounting principles
LM	Office of Legacy Management
NRC	U.S. Nuclear Regulatory Commission
PFSRA	plan for subsequent remedial action
SOA	Statement of Account
UMTRCA	Uranium Mill Tailings Radiation Control Act

1.0 Introduction

This *U.S. Department of Energy Guidance for Preparation of Reimbursement Claims under Title X of the Energy Policy Act* provides guidance to licensees of active uranium and thorium processing sites on standards, concepts, and procedures about reimbursing costs of remedial action under Title X of the Energy Policy Act of 1992. The U.S. Department of Energy (DOE) Office of Environmental Management (EM) and Office of Legacy Management (LM) encourage licensees to use these standards, concepts, and procedures as guidelines for producing, maintaining, and summarizing documentation in support of claims filed for reimbursement. However, licensees are not required to comply with the suggested concepts and methods discussed, as requirements governing cost reimbursement under Title X are set forth in Title 10 *Code of Federal Regulations* Part 765 (10 CFR 765), “Reimbursement for Costs of Remedial Action at Active Uranium and Thorium Processing Sites; Final Rule.”

As set forth by 10 CFR 765, licensees are required to submit to DOE only summaries of both costs of remedial action and supporting documentation. It is recommended that the licensee submit these cost and documentation summaries as part of all claims for reimbursement, following the general concepts described in this guidance document. It is not DOE's intent to require extensive and unnecessary efforts from the licensees. Therefore, licensees should organize and summarize costs and documentation in a manner consistent with individual accounting and documentation systems. Claims for reimbursement should be sent by U.S. Postal Service and electronic delivery to a previously communicated site. Questions regarding claims for reimbursement or any of the information set forth in this document should be addressed to Title X Program Manager at 2597 Legacy Way, Grand Junction, CO 81503. By phone: (970) 248-6000.

From 1942 through 1970, the U.S. Army's Manhattan Engineer District and Atomic Energy Commission entered into several contracts with commercially operated mills to purchase uranium concentrate in support of the nation's defense programs. Due to the limited knowledge of the hazards created by the resulting milling-process waste, those contracts did not include provisions for managing and remediating the waste materials. Between 1975 and 1979, studies of the environmental impacts of uranium mill tailings revealed potentially significant health hazards. As a result, in 1978, Congress enacted the Uranium Mill Tailings Radiation Control Act (UMTRCA). Under UMTRCA, the U.S. Nuclear Regulatory Commission (NRC) was charged with regulating the mill tailings and other byproduct material remaining at “active” processing sites (i.e., sites with active licensees under the Atomic Energy Act of 1954 [AEA] on or after January 1, 1978). The AEA provides NRC and any Agreement State (pursuant to a discontinuance agreement with NRC) with the authority to approve a plan for remediating an “active” site, as developed by the site licensee.

In 1979, DOE and the U.S. General Accounting Office reported to Congress that federal assistance should be provided to the “active” site licensees to defray a portion of the costs to remediate mill tailings remaining at the sites. Title X of the Energy Policy Act of 1992, also called Title X, authorizes DOE to provide that federal assistance. DOE, in turn, published 10 CFR 765 on May 23, 1994, to establish the requirements and procedures under which it implements the Title X cost reimbursement program. Congress has amended the original legislation four times since the Energy Policy Act was enacted on October 24, 1992, and DOE revised 10 CFR 765 on June 3, 2003, to reflect those changes.

This guidance document replaces the previous guidance document published in April 1995. This document serves as the primary source of implementation guidance on the Title X cost reimbursement program for licensees of active uranium and thorium processing sites, hereafter referred to as licensees.

1.1 Purpose and Scope

This *U.S. Department of Energy Guidance for Preparation of Reimbursement Claims under Title X of the Energy Policy Act*, is hereafter referred to as the guidance document. It addresses regulatory and accounting requirements, standards, and concepts that apply to the processes of documenting and filing claims for reimbursement of costs incurred to perform decontamination, decommissioning, reclamation, and other remedial action at “active” uranium and thorium processing sites, hereafter referred to as *costs of remedial action*. These requirements, standards, and concepts are directed at the licensees of the “active” sites, as identified by DOE in 10 CFR 765 and in technical and administrative amendments made to this regulation through 2003.

In addition, this guidance document presents a detailed discussion of the cost reimbursement claim filing process and provides sample or suggested methods for documenting costs of remedial action and preparing the claim package. However, this document serves primarily as “guidance,” and licensees must ensure that their cost documentation and reimbursement claims comply with the requirements established by revised 10 CFR 765, which is the regulatory basis for this guidance document.

1.2 Purpose

The purpose of this document is to establish consistent guidelines for licensees on submitting complete and accurate cost reimbursement claim packages, and to outline the related review and audit processes. It also briefly describes other requirements or requests that may be made by DOE to the licensees.

This guidance document addresses uranium and thorium licensees eligible for reimbursement of costs of remedial action by DOE under Title X and revised 10 CFR 765. The document is necessarily broad in scope due to the differences between various licensees’ cost accounting systems and their respective involvement in remediation activities. The primary focus of this document is to provide licensees with guidance on documenting costs of remedial action for cost reimbursement purposes. Also, methods are suggested for maintaining cost documentation to facilitate claim processing.

2.0 Requirements, Standards, and Concepts

The concept of cost reimbursement under Title X is based on various underlying regulatory and cost documentation requirements, standards, and concepts. Reimbursement of costs by DOE is dependent upon DOE’s determination of licensees’ compliance with regulatory requirements and the reasonableness of documentation maintained by the licensee in support of costs of remedial action. Various regulatory requirements govern the licensee’s initial eligibility for reimbursement; financial management and accounting standards govern the extent to which the licensee is able to support claims for costs of remedial action.

2.1 Regulatory Requirements

The following legislation governs the eligibility of licensees for reimbursement of costs of remedial action. Figure 1 provides a timeline of legislation governing the cost reimbursement process.

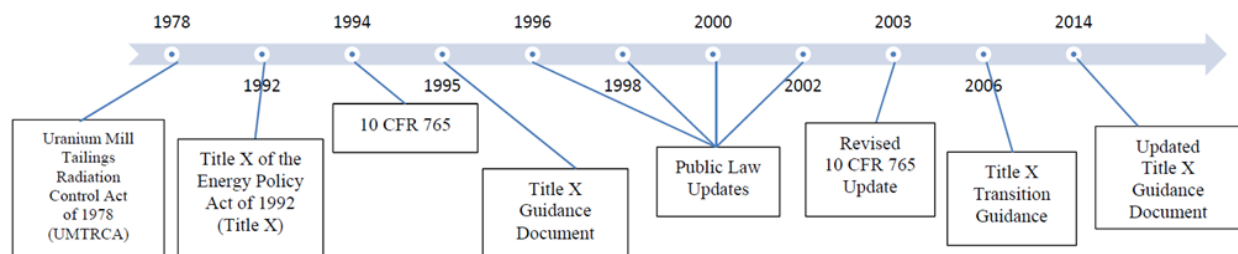


Figure 1. Timeline of Legislation and Guidance Governing Cost Reimbursements

2.1.1 Uranium Mill Tailings Radiation Control Act of 1978

UMTRCA authorizes DOE-EM to undertake remedial action at “inactive” processing sites and vicinity properties contaminated with residual radioactive material generated at the site. It also authorizes the NRC to regulate byproduct material generated during processing at “active” sites throughout production, remedial action, and disposal.

2.1.2 Title X of the Energy Policy Act of 1992

Title X requires DOE to reimburse eligible licensees for costs of remedial action that are necessary to comply with UMTRCA or, where appropriate, with relevant Agreement State requirements, which are determined to be attributable to byproduct material generated as an incident of sales to the U.S. government.

2.1.3 Revised 10 CFR 765, Reimbursement for Costs of Remedial Action at Active Uranium and Thorium Processing Sites

Revised 10 CFR 765 sets forth the procedures under which DOE implements the reimbursement program under Title X. This section of the guidance document defines the major concepts outlined in 10 CFR 765 that address remedial action cost reimbursement. This section summarizes the Public Law updates and revisions since the Energy Policy Act of 1992 was enacted.

- *Reimbursable Costs:* Reimbursable costs comprise that portion of costs of remedial action incurred by the licensee that are (1) attributable to byproduct material generated as an incident of sales to the United States, (2) incurred to comply with applicable requirements of UMTRCA or Agreement State requirements, and (3) incurred prior to December 31, 2007, or in accordance with a plan for subsequent remedial action (PFSRA) approved by DOE. See Section 4.0, “Types of Costs,” for further discussion and definition of reimbursable costs.

- *Federal Reimbursement Ratios:* Reimbursable costs are calculated using federal reimbursement ratios for each active uranium or thorium processing site. These federal reimbursement ratios are based on the ratio of federal-related dry short tons of tailings to total dry short tons of tailings, unless a licensee was able to demonstrate to the satisfaction of DOE an alternative approach that is more accurate than the tonnage-based approach in delineating the federal share. See Appendix B, “Application of Federal Reimbursement Ratios,” for additional information on federal reimbursement ratios.
- *Reimbursement Limitations:* The following limitations are set forth regarding costs of remedial action:
 - Reimbursement is only allowable for remedial action efforts necessary to comply with UMTRCA or Agreement State requirements.
 - Costs must be incurred prior to December 31, 2007, or in accordance with a PFSRA approved by DOE. Reimbursement of costs incurred after December 31, 2007, are limited to the PFSRA amount approved by DOE, as adjusted for inflation.
 - Reimbursement to a uranium licensee shall not exceed \$6.25 multiplied by the number of dry short tons of federal-related tailings (adjusted for inflation) present at the site as of October 24, 1992.
 - Total reimbursement to all uranium licensees shall not exceed \$350 million (adjusted for inflation).
 - Total reimbursement to the thorium licensee shall not exceed \$365 million (adjusted for inflation).
- *Reimbursement Claims:* The following requirements govern the filing of claims for reimbursement of costs of remedial action:
 - Claims shall be supported by reasonable cost documentation, as specified by DOE in this guidance document.
 - The NRC/Agreement State approved reclamation plan or other written authorization shall be submitted with the first claim; revised or modified plans shall be submitted with subsequent claims.
 - Each claim shall provide a summary of the costs of remedial action being claimed, and a summary of the documentation available to support the claim. (DOE's suggested format for preparing reimbursement claim packages is described in more detail in Section 7.0 and Appendix A.)
 - Supporting documentation shall be cross-referenced to the licensee’s approved reclamation plan or other written authorization and shall be accessible to DOE. Contemporaneous documentation should be used to support claims when available. (Cost documentation and recordkeeping procedures recommended by DOE are discussed in Section 6.0.)
 - DOE may audit a licensee’s remedial action cost documentation, on a case-by-case basis, before approving a reimbursement claim. (See Section 8.1.2.2 for guidance on audit requirements and procedures developed by DOE.)

- Generally accepted accounting principles (GAAP) shall be followed in preparing cost reimbursement claims.¹ (See Section 4.0. for further discussion of GAAP.)
- Claims shall include certification by the licensee that work was performed as described in an approved reclamation plan or other written authorization, and that cost documentation supporting the claim is complete, accurate, and true.
- Claims do not have to be submitted every year. Licensees can determine when they will submit claims, However, claims do need to be separated by year.
- *Reconsideration of Claim or Submittal of Reasonable Documentation:* If DOE denies a claim, the licensee may request that DOE reconsider its decision if the licensee provides reasonable documentation. If the licensee chooses not to submit the documentation, the licensee still has the right to file a formal appeal to a claim denial.
- *Appeals Process:* A licensee wishing to contest a determination made by DOE may file an appeal with DOE's Office of Hearings and Appeals. Appeals must be filed within 45 days from the date the licensee received notice, actual or constructive (i.e., publication in the *Federal Register*) of DOE determination.² Appeals must comply with the procedures set forth in revised 10 CFR 1003.

2.1.4 Public Law Updates and Revisions

- Public Law 104-259 (PL 104-259), enacted in October 1996, extended the authorization of UMTRCA. The law increased the authorized reimbursement amounts for uranium and thorium licensees from \$270 million and \$40 million, to \$350 million and \$65 million, respectively—for an aggregate authorized reimbursement amount of \$415 million. PL 104-259 also increased the maximum amount that may be reimbursed to uranium licensees per dry short ton of federal-related byproduct material from \$5.50 to \$6.25.
- PL 105-388, enacted in November 1998, amended Title X to increase the authorized reimbursement amount for thorium licensees from \$65 million to \$140 million, for an aggregate authorized reimbursement amount to uranium and thorium licensees of \$490 million.
- PL 106-317, enacted in October 2000, amended Section 1001 of the Energy Policy Act of 1992 to do the following:
 - Change the date for determining the availability of excess funds for reimbursement to uranium licensees from July 31, 2005, to December 31, 2008
 - Change the date after which work must be completed in accordance with an approved PFSRA to be eligible for reimbursement from December 31, 2002, to December 31, 2007
 - Eliminate the requirement for DOE to place certain reimbursement funds in escrow
- PL 107-222, enacted in August 2002, amended Section 1001(b)(2)(C) of the Energy Policy Act of 1992 and increased the authorized reimbursement amount for the thorium licensee from \$140 million to \$365 million, for an aggregate authorized reimbursement amount to uranium and thorium licensees of \$715 million.

¹ A Title X exception to GAAP is claimed costs are to be paid during the claim year. Accrued costs not paid during the claim year must be claimed in the next year.

² The appeals procedure is defined in 10 CFR 765.22.

2.1.5 Financial Management and Accounting Standards

The following financial management and accounting standards and objectives are essential to expediting the cost reimbursement process.

2.1.6 Financial Management Systems

To provide reasonable support of costs of remedial action claimed for reimbursement, and to facilitate the reimbursement process, it is important that the licensee maintain documentation that is both accurate and complete, as follows:

Maintain Accurate Cost Information: The licensee should ensure that only costs attributable to remediation activities are charged to remediation projects, activities, or cost centers. This will help to ensure that costs claimed can be traced back to *an approved reclamation plan or other written authorization* and are therefore reimbursable under Title X. The licensee should maintain costs in a manner allowing isolation and deducting of those costs that DOE determines to be nonreimbursable. (See Section 5.0 for information on nonreimbursable costs.)

Maintain Complete Cost Information: The licensee should ensure that all costs of remedial action are recorded and charged to the appropriate remediation projects, activities, or cost centers. This will help to ensure that the licensee receives reimbursement for all reasonable and acceptable costs of remedial action.

DOE recognizes that not all licensees' accounting systems and financial management processes are the same. Different systems may have different capabilities. However, each licensee should have some financial management controls in place to ensure the accuracy and completeness of accounting information. During potential DOE audits of cost reimbursement claims, both overall financial management controls and actual cost documentation will be evaluated. Therefore, each licensee should evaluate their current systems to ensure that adequate controls are in place to meet cost reimbursement needs.

2.1.6.1 Accounting Standards and Principles

Revised 10 CFR 765 indicates that licensees should comply with GAAP in preparing and supporting cost reimbursement claims. Compliance with GAAP helps to ensure the following:

- Accurate recording of direct costs
- Fair and acceptable allocation of indirect costs

Definitions of direct and indirect costs as they apply to remediation efforts can be found in in Section 4.1, "Types of Costs of Remedial Action."

The following principles and standards addressed in GAAP provide reasonable assurance as to the accuracy of the licensee's cost accounting records:

Reliability: Information is reasonably free from error or bias and represents faithfully what it is intended to represent. Reliability comprises the three factors discussed below:

- *Verifiability*: Information is determined objectively and can be verified by other accountants using the same methods of measurement (i.e., use of standard procedures, methodologies).
- *Neutrality*: Information is reported in an unbiased manner (i.e., use of standard reporting formats).
- *Representational faithfulness*: Information represents faithfully the activities or results being measured (i.e., use of objective reporting methods).

Completeness: Reported information includes everything that is material and necessary to represent faithfully all relevant activities.

Consistency and Comparability: Accounting methodologies are used consistently from one period to the next, thus facilitating comparison of two or more periods.

Matching Principle: Costs are realized within a reasonable period of time, based on a correlation between the costs and the benefits derived (benefits being defined as progress made toward completion of remedial activities). In other words, costs are documented as close as possible to the time at which they are incurred, and remedial activities are completed.

2.1.7 Documentation Standards

It is critical that the cost documentation supporting a licensee's claim for reimbursement clearly demonstrates the costs of remedial action incurred. Achieving the following primary objectives will help to ensure that the licensee's documentation will be found to be reasonable during financial and technical audits:

- Cost documentation should demonstrate clearly that funds were spent in the year claimed
- Cost documentation should demonstrate clearly what the funds were spent on (i.e., cross-reference to approved remediation activities)

To achieve these objectives, the licensee's cost documentation should demonstrate the following:

- The work or purchase was *authorized* by the licensee (e.g., documentation of supervisory approval such as signatures on work or purchase orders)
- The work or purchase was *completed* (e.g., time sheets or timecards, or progress reports)
- The licensee was *billed* for the work or purchase (e.g., by a contractor or vendor invoices)
- The licensee actually *paid* for the work or purchase in the claim year (e.g., records of payment dates, amounts, and check numbers).

These four points are key factors that will be evaluated during financial audits. In addition, the second point (i.e., work or purchase was *completed*) will be a key factor during technical audits of claims for reimbursement. Therefore, it is essential that the licensee maintain documentation supporting claims for reimbursement that demonstrates these points. In addition, DOE will evaluate whether the licensee's documentation demonstrates a link between remediation costs and activities required under an NRC- or Agreement State-approved reclamation plan or other written authorization.

3.0 Licensees Role in Cost Reimbursement

The licensee should have a firm understanding of their roles and responsibilities during the cost reimbursement process, as follows:

- *Maintenance of Effective Financial Management Systems:* The licensee should maintain financial management systems that adhere to the cost accounting and documentation standards discussed above.
- *Preparation and Submission of Cost Reimbursement Claims:* The licensee should submit claims for reimbursement in the manner discussed in Section 7.1.5.
- *Satisfaction of the Burden of Proof:* The burden of proof in the cost reimbursement process is on the licensee. It is important that the licensee's cost documentation demonstrates that:
 - Remediation activities for which reimbursement is claimed were required by an approved reclamation plan or other written authorization.³
 - Costs are reasonable and acceptable as specified by DOE in this guidance document.
 - Costs claimed represent the federal portion of total costs of remedial action incurred.

These responsibilities are discussed further throughout the remainder of this document.

3.1 DOE's Role in Cost Reimbursement

When Congress appropriates funds to reimburse licensees, the *Federal Register* notice will inform licensees of the closing date for submission of claims for costs incurred the previous year, and the date by which approved claims will be processed for payment.

Upon receipt of claims from licensees, DOE will perform a preliminary review for completeness and then the financial and technical assessment or review, as described in more detail in Section 4.0. After the financial review is complete, the approved amount determined, and any appeal resolved, DOE will prepare the Statement of Account and notify DOE-EM of the approved claims. DOE-EM will arrange for payment to the licensee by DOE-EM Oak Ridge office, depending on the availability of funds.

In May 2011, a Memorandum of Agreement (MOA) was issued to reassign the audit responsibilities for the Title X claims to ensure consistency and to meet the requirements of the congressional mandate. The MOA outlines the responsibilities of DOE, LM, and DOE-EM. In summary, under the MOA, the LM Field Support Center at Grand Junction, Colorado, receives the annual claims, coordinates with a contracted accounting and auditing firm and the licensees to conduct onsite reviews and audits of the claims, and makes the final determination of remedial action costs eligible for reimbursement at each site. Funding for Title X is appropriated from the Uranium Enrichment Decontamination and Decommissioning Fund. Therefore, EM continues to request funding for Title X and arranges for the reimbursement payments to the licensees.

³ Costs for which reimbursement is claimed must still be for activities necessary to comply with the requirements of UMTRCA. Throughout the remainder of the document the phrase "activities in a reclamation plan or other written authorization" will be used to denote activities required under an approved reclamation plan or other written authorization, as well as activities required to comply with UMTRCA for which a final plan has not yet been approved.

If there are fiscal uncertainties, DOE may not have funds appropriated to reimburse claims. A *Federal Register* notice will be published to notify licensees of this. However, licensees may submit their claims for cleanup work with the understanding that DOE is not able to perform audits on the claims or provide licensees with reimbursements unless sufficient funds become available. If audits are performed but no funds are appropriated for reimbursements, the approved amount of claims submitted during that fiscal year—and any unpaid approved balances for claims submitted in prior years—will be carried forward for payment in the next fiscal year, subject to the availability of funds.

4.0 Types of Costs

This section identifies seven major categories of costs that may be reimbursed under the Title X Cost Reimbursement Program. The purpose of this section is to provide guidance on acceptable methods of charging costs to remediation projects, activities, and cost centers; and it addresses how to classify costs into the defined cost categories for reimbursement claim filing purposes. While the seven categories (Section 4.1.1) have been structured to encompass all possible types of costs of remedial action, DOE recognizes that the licensee's cost categories may differ from those identified below. Each licensee should use the cost categories applicable to their individual accounting systems.

4.1 Types of Costs of Remedial Action

Licensees may include both direct and indirect costs of remedial action in claims for reimbursement:

Direct costs: Expenses that can be directly attributed to remediation efforts, and therefore, are charged directly to remediation projects, activities, or cost centers.

Indirect costs: Expenses that support remedial activities but are not directly assignable to the remediation efforts' end product or process, or that represent costs of operations not directly related or attributable to remediation efforts; and therefore, cannot be charged directly to specific remediation projects, activities, or cost centers.

To expedite review and audit of claims for reimbursement, the licensee should charge costs of remedial action directly to specific projects, activities, or cost centers whenever possible, and should link such costs to specific activities required under an approved reclamation plan or other written authorization. Licensee managers should determine whether reimbursable costs should be accounted for and documented as direct charges or included in an indirect or overhead cost pool to be allocated among various activities utilizing a generally accepted method of allocation. The licensee should always ensure that costs that are charged directly to remediation projects, activities, or cost centers are not also allocated to those projects, activities, or cost centers, as this would result in duplication of costs.

In addition, the licensee should ensure that direct charging of costs to remediation projects, activities, or cost centers is consistent with the nature of the costs (i.e., the licensee should not charge inherently indirect costs as direct costs). For example, costs of printing corporate materials for a specific office should not be charged directly to reclamation even if that office

solely supports reclamation efforts. This is because the nature of the cost is inherently indirect and has nonreclamation-related benefits.

4.1.1 Guidance on Charging Costs of Remedial Action

Seven major categories of costs of remedial action are defined, as follows:

- Direct labor
- Travel
- Materials and supplies
- Equipment
- Contractor services
- Other direct costs
- Overhead

This section defines these categories and provides guidance on methods of charging costs within each category to appropriate remedial action projects, activities, or cost centers; it also gives examples of specific types of costs or charges that are eligible for reimbursement by DOE under Title X. This section is intended only to provide the licensee with *guidelines* for charging and classifying costs of remedial action. The licensee should follow the concepts outlined in this section but may structure its cost categories to match the licensee's current accounting and recordkeeping systems. It is not DOE's intent to require extensive and unnecessary efforts from the licensee in preparing a claim for reimbursement. Further guidance on the cost records that should be maintained to support costs in each category is provided in Section 6.0, "Cost Documentation and Recordkeeping."

4.1.1.1 Direct Labor

The direct labor cost category includes salary and benefit expenses charged directly to remediation projects, activities, or cost centers. Direct labor charges may include compensation for hours worked and related benefit distributions. Salary expense that is included in an indirect cost pool and allocated among various projects, activities, or cost centers should not be charged under direct labor because this would result in duplicate labor charges. It is important that direct labor costs are easily traceable to activities required under an approved reclamation plan or other written authorization.

4.1.1.2 Travel

The travel cost category includes costs of automobile, rail, or air transportation; meals; and lodging that are incurred to support remediation activities. These expenses may be direct or indirect in nature. Regardless of whether travel costs are direct or indirect in nature, travel vouchers and employee time or attendance records should correspond; and travel costs should be traceable to remedial activities in an approved reclamation plan or other written authorization. Travel expenses associated with Title X reimbursement claims should follow federal travel regulations (41 CFR 301).

Direct Travel

Costs incurred for travel that supports remediation activities exclusively should be directly charged to the appropriate remediation project, activity, or cost center.

Indirect Travel

Costs of travel that supports both remediation and nonremediation activities should be allocated between the remediation projects, activities, or cost centers and the nonremediation projects, activities, or cost centers that the travel supports. This allocation should be based on a defensible methodology, such as the amount of time spent conducting activities that support each project, activity, or cost center. For instance, if travel expenses were incurred over 3 days, and 1 full day was spent conducting remediation activities, one-third of the travel voucher might be allocated to the appropriate remediation project, activity, or cost center.

4.1.1.3 Materials and Supplies

The materials and supplies cost category includes the cost of materials and supplies that are purchased for use during remediation activities. This category may include costs of materials used to perform actual remedial work (e.g., cover materials like rock, piping, and fuel), as well as costs of supplies used to support activities associated with the actual cleanup process (e.g., computer equipment and office supplies needed to manage onsite office work). These costs may be charged directly to remediation projects, activities, or cost centers; or they may be allocated between remediation and nonremediation projects, activities, or cost centers, depending on the nature of the benefit derived from the activities conducted. The licensee should ensure that cost documentation and recordkeeping systems provide for reasonable materials and supplies charges, as described below.

Direct Materials and Supplies

Materials and supplies purchased solely for use during remedial activities should be charged directly to remediation projects, activities, or cost centers. These materials and supplies should be easily traceable to some remedial activity required under an approved reclamation plan or other written authorization.

Indirect Materials and Supplies

Materials and supplies purchased for use on both remediation and nonremediation activities should be allocated between the remediation projects, activities, or cost centers and the nonremediation projects, activities, or cost centers that the materials and supplies supported. This allocation should be based on a defensible methodology. For example, allocation of these expenses may be made based on percentage use or may be performed by calculating and charging an appropriate usage rate. Guidance on charging usage rates is included in Section 4.1.2.

4.1.1.4 Equipment

The equipment cost category may include costs within one or more of the following five general categories:

- Equipment purchase
- Depreciation
- Equipment lease
- Equipment usage
- Contractor provided equipment

It is recommended that the licensee follow the policies regarding each of these five categories that are detailed in the following sections. However, the licensee should ensure that particular equipment costs are not charged under more than one method because this would result in duplicate costs. Also, it is crucial that all types of equipment charges be traceable to some remedial activity required under an approved reclamation plan or other written authorization.

Equipment Purchase

DOE prefers that licensees use the depreciation method when preparing Title X claims for tangible asset purchases greater than \$5,000 because it is a more straightforward method of cost allocation for the purposes of Title X. However, in recognition of Issue 90-8—*Capitalization of Costs to Treat Environmental Contamination*—from the Financial Accounting Standards Board (FASB’s) Emerging Issues Task Force, DOE may consider reimbursement of claims for expensed assets over \$5,000 on a case-by-case basis. For DOE to consider such claims, several conditions must be satisfied to protect the government’s interest if a licensee obtains proceeds from the sale or reuse of an expensed item, files for bankruptcy, or otherwise has the potential to place the government in a position of having to recover reimbursements made to the licensee. These conditions are as follows:

- The licensee must demonstrate in any claim for an expensed asset greater than \$5,000 that it will not be reimbursed for any costs that it would not have received if the asset had been capitalized.
- To be eligible to claim the entire federal share of the expensed asset, the licensee must demonstrate in any claim that the asset will have no value or future use beyond the completion of site reclamation activities (i.e., the asset will not be decontaminated and sold or used at another site). However, if the licensee demonstrates that the expensed asset’s normal depreciation would have been fully realized prior to site completion, the entire federal share of the expensed asset may be eligible for reimbursement irrespective of the future disposition of the asset. If the normal depreciation schedule is not realized prior to the site completion and the licensee plans on selling or reusing the equipment after site completion, any reimbursement of the expensed asset will be prorated based on the expected life service of the asset. For example, say a licensee bought a new bulldozer for \$200,000 in January 2013, the bulldozer’s normal depreciation schedule is \$40,000 per year over 5 years, the site completion date is January 2015, and the bulldozer will be sold upon completion. The licensee could only claim a prorated expense charge of \$80,000 (versus \$200,000).

Regardless of whether of an asset is expensed or depreciated, the licensee is responsible for notifying DOE of any proceeds the licensee receives on the salvage of a tangible asset, as the government may be entitled to a portion of those proceeds if the licensee received reimbursement on the original purchase of the asset under the Title X program.

- If there are “going concerns” with the financial viability of the licensee, DOE may have an auditing entity perform a financial capability risk assessment before reimbursement of an expensed asset.
- The licensee cannot expense an asset for the purposes of Title X reimbursement if it is depreciating the same asset under its financial accounting system (i.e., the licensee must use consistent accounting methods), unless it is approved on a case-by-case basis by DOE.
- When submitting a claim for an expensed asset over \$5,000, the licensee should include a written statement in the claim agreeing to reimburse DOE for any amounts “overpaid” to the licensee and realized as a result of unforeseen events that occurred after the time of DOE’s reimbursement of the expensed asset.

Depreciation

Depreciation expense may be charged directly to a remediation project, activity, or cost center in any of the following three situations:

- The equipment was purchased solely for use during remediation activities.
- The equipment was purchased prior to beginning remediation activities and was subsequently transferred for sole use during remediation activities. In this case, depreciation expense incurred after transferring the equipment to a remediation project or activity can be charged directly to the appropriate remediation project, activity, or cost center.
- The equipment was utilized for both remedial and nonremedial activities during the same period. The licensee should first determine the total depreciation expense for the item in question for the current claim period. Next, the licensee should determine the percentage of use on remediation versus nonremediation projects or activities (e.g., percentage of hours or days used on each project or activity, based on time or attendance records or equipment logbooks). To determine the amount to be charged to the remediation project, activity, or cost center, this percentage should then be applied to the total calculated depreciation expense.

Depreciation should not be charged directly or indirectly to remedial projects, activities, or cost centers for periods of a month or more during which the equipment remains completely idle. For instance, if a dump truck is being used on remediation activities, but remains idle during the entire month of June, depreciation of the dump truck should not be charged during June, either directly or as part of overhead costs. Depreciation also should not be charged for equipment that has been fully depreciated or fully costed, regardless of whether the depreciation or costing occurred during the conduct of reimbursable or nonreimbursable activities. The licensee should always utilize a method for calculating depreciation which complies with GAAP, and should document the method utilized, and the date of transfer of the equipment to a remediation project or activity, as applicable.

Equipment Lease

If equipment is leased solely for use during remediation activities, the lease payments may be charged directly to a remediation project, activity, or cost center. If the leased equipment is used on nonremediation activities as well, a usage charge should be applied, as described below.

Equipment Usage

If purchased or leased equipment is used for both remediation and nonremediation activities, equipment costs should be allocated between the remediation projects, activities, or cost centers and the nonremediation projects, activities, or cost centers for which the equipment was used. This allocation should be performed by calculating and charging an appropriate usage rate, as discussed in Section 4.1.2.

Contractor Provided Equipment

If a contractor provides the equipment used during remediation activities, and the equipment costs are paid by the licensee as part of a contractor invoice, the procedures described below in Section 4.1.1.5, “Contractor Services,” apply.

4.1.1.5 Contractor Services

The contractor services cost category may include any or all of the types of costs described in this section. These costs are charged directly to remediation projects, activities, or cost centers by charging the amount of any “reimbursable costs” included in contractor invoices paid by the licensee. Contractor invoice costs are “reimbursable” under Title X provided the work performed by the contractor meets the criteria discussed in Section 4.1 (i.e., costs incurred are for activities required under an approved reclamation plan or other written authorization). Documentation of contractor costs should demonstrate clearly that these criteria were met.

4.1.1.6 Other Direct Costs

The other direct cost category includes all direct costs of remedial activities not included in the specific categories listed above. Other direct costs may include such items as rent, utilities, taxes, permit costs, and land acquisition. These charges should be made directly to the appropriate remediation projects, activities, or cost centers if the items benefit exclusively remediation activities. The cost of these items should be clearly traceable to some remediation activity required under an approved reclamation plan or other written authorization.

Licensees frequently increase the owned land at former processing sites when such land overlays potentially or actually contaminated groundwater. In recent years, DOE has implemented policy that promotes reducing the land footprint owned by the agency. To comply with this policy, DOE has not agreed to take all the land that a licensee owns at a remediated processing site. Thus, the licensee will not be reimbursed for the cost of the land purchase. The licensee may resubmit the land acquisition costs in a future claim at such time that the licensee, the regulator, and DOE have agreed to what land is being transferred to DOE. If not all of the land purchased by the licensee is transferred to DOE for long-term surveillance and maintenance activities, the licensee should show costs for only that land being transferred (the licensee can either sell or

retain the other land). This may require a new appraisal of the parcel, the cost of which would be reimbursed in accordance with Title X protocol.

Additionally, some sites that are classified as Title X sites are also classified as Superfund sites under the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (CERCLA). Any costs incurred strictly to comply with CERCLA (e.g., Five-Year Reviews) are not reimbursable under Title X. This is further discussed in Section 1.1.

4.1.1.7 Overhead

The overhead cost category may include costs of any items or services that benefit remediation activities, but whose benefit cannot be directly traced to specific remediation projects, activities, or cost centers. Overhead costs may include staff salaries for workers who perform duties that indirectly benefit remedial activities like administrative work, staffing headquarters, and accounting work. It also may include costs such as utilities, insurance, taxes, and training costs, if those costs are not directly tracked and charged to a remediation project, activity, or cost center. All costs included in overhead charges to remediation projects, activities, or cost centers must be clearly identified and described in the licensee's overhead cost documentation. Overhead costs also must meet the criteria discussed in Section 2.1.2 (i.e., costs incurred are for activities required under an approved reclamation plan or other written authorization). In addition, the method used to apply overhead to a remediation project, activity, or cost center must comply with GAAP and must be documented clearly.

4.1.2 Guidance on Charging Usage Rates

In situations in which costs benefit remediation activities but cannot be directly tracked and charged to remediation projects, activities, or cost centers, it is appropriate for the licensee to determine and charge a usage rate. It is important to note that the licensee should weigh the effort required to utilize this method against the cost involved. For instance, it would not be cost effective to allocate the cost of an adding machine based on hours used, because the effort required to perform the allocation would outweigh the cost that might be recovered. In addition, the licensee should always ensure that allocated costs can be traced easily to some project or activity required under an approved reclamation plan or other written authorization. This section provides guidance on using usage rates to allocate costs of materials and supplies, as well as costs of equipment.

4.1.2.1 Materials and Supplies

In situations in which costs of materials and supplies are being allocated between two or more projects, activities, or cost centers, the allocation should be based on the relative usage of the materials and supplies for activities supporting each project, activity, or cost center. This usage should be determined as follows:

- *For inventoried items* (such as paper): Usage should be charged based on the number of items (or packages of items) utilized for each project, activity, or cost center during the reporting period. The licensee should first calculate the decrease in inventory of the item in question, from the beginning to the end of the reporting period. Then, the amount of the decrease in items should be multiplied by a predetermined cost per item. The resulting amount should then be charged to the appropriate remediation project, activity, or cost center.

- *For Property Items* (such as computers or sampling devices): Costs should be charged based on a defensible methodology such as hourly usage or some other unit of work. The licensee could first determine the estimated life and value of the property item (e.g., based on purchase price), and use this information to determine an hourly usage rate. Next, usage of the item could be tracked during the normal course of business (e.g., utilizing time or attendance records or number of samples). Finally, the predetermined usage rate could be applied to the tracked usage to calculate the cost to be charged to remediation.

In either case, the methodology used should comply with GAAP, be applied consistently, and be documented clearly.

4.1.2.2 Equipment

When equipment costs are being allocated between two or more projects, activities, or cost centers, the allocation should be based on the relative usage of the equipment required to conduct the activities which support each project, activity, or cost center. First, an equipment usage rate should be determined, based on the estimated life and purchase price of the equipment. Next, use of the equipment should be carefully tracked and documented for each remediation project, activity, or cost center. Finally, the predetermined rate should be applied to the usage tracked for each remediation project, activity, or cost center to determine the total remediation-related equipment cost. This cost may then be charged directly to the appropriate remediation project, activity, or cost center. Methods of establishing rates and tracking usage should comply with GAAP, be applied consistently, and be documented clearly.

5.0 Reimbursable Versus Nonreimbursable Costs

Although a licensee may request reimbursement for costs within any of the seven categories, not all costs within each category will be reimbursable under Title X. Reimbursable versus nonreimbursable costs are defined as follows:

- *Reimbursable Costs*: Costs that are incurred to perform activities in an approved reclamation plan or other written authorization pursuant to UMTRCA requirements, Agreement State requirements, or both.
- *Nonreimbursable Costs*: Costs incurred to perform activities that are not included in an approved reclamation plan or other written authorization pursuant to UMTRCA requirements, Agreement State requirements, or both, even though they may be legitimate costs of doing business. For example, although sponsoring a “going-away” lunch or party for an employee is a standard business practice, this function is not required to perform reclamation activities; therefore, costs associated with this function are not reimbursable. Table 1 provides examples of costs that DOE has determined to be nonreimbursable.

Various costs may be either reimbursable or nonreimbursable, depending on the situation. The licensee should make determinations as to whether specific costs should be claimed for reimbursement on a case-by-case basis, as appropriate and feasible. For example, salaries of staff who perform remediation-related duties are generally reimbursable as direct labor costs. However, depending on the specific nature of the duties performed by those staff members, DOE may determine that certain labor costs included in claims for reimbursement should not be

approved. For instance, assume that John Doe is an hourly employee who works in an office that supports remediation activities exclusively. Likewise, assume John Doe attends an annual company picnic. The cost associated with the hours spent attending the picnic would not be appropriate for inclusion in a claim for reimbursement, because those costs are not necessary to conduct remediation activities and therefore, are not reimbursable. If John Doe were a salaried employee, his salary would be reimbursable, but not the time spent attending the picnic (i.e., the time spent attending the picnic should not be part of the requisite number of hours worked per week that are required to earn that salary).

Additionally, some sites are classified as both Title X sites and as Superfund sites under CERCLA. Any costs incurred strictly to comply solely with CERCLA requirements are not reimbursable under Title X. However, on sites that are under UMTRCA and CERCLA cleanup authority, it is possible that the license documents (e.g., remediation plans) are designed to have a single action that meets both laws, or that the Agreement State has incorporated CERCLA regulatory requirements into its license. The cost of actions related to CERCLA must show a direct link to the UMTRCA requirements, either by incorporation into an approved reclamation plan or into the license itself. Also, requirements under other laws (e.g., the Clean Water Act, the Clean Air Act, the National Environmental Policy Act) may be considered for reimbursement if they are specified in the NRC license or in the approved reclamation plan. Exceptions can occur and are examined on a case-by-case basis.

Table 1 and Table 2 provide selected examples of reimbursable and nonreimbursable costs, respectively. They are not intended to be all-inclusive lists. DOE will make further determinations about nonreimbursable costs as additional claims are submitted and reviewed and additional types of costs are identified. Such decisions will be made on a case-by-case basis and will be applied to all licensees consistently upon a DOE policy decision about specific costs.

Table 1. Examples of Reimbursable Costs

• Groundwater remediation
• Disposal of process wastes
• Removal actions
• Mill equipment decommissioning
• Monitoring (e.g., air, groundwater)
• Administrative expenses for remediation
• Treatment of contaminated soils
• Air pollution studies
• Long-term surveillance and maintenance fees

Table 2. Examples of Nonreimbursable Costs

- Employee bonuses
- Time charged to attend corporate-related training
- Costs of commuting between residence and the work site
- Personal travel expenses (e.g., costs of extending work-related travel for personal reasons)
- Fuel used for personal vehicle use
- Costs of personal office supplies (e.g., plants, calendars)
- Charges for fully depreciated or fully costed equipment
- Costs of operating equipment for nonremediation purposes
- Costs of independent audits conducted for corporate purposes
- Costs of printing corporate-required documents (e.g., periodic financial reports submitted to corporate headquarters)
- Fees for membership in professional organizations, if the licensee cannot demonstrate a link between membership and qualifications for performing reclamation work
- Entertainment expenses
- Salaries of corporate officers not supporting remediation efforts
- Costs of legal activities that are not necessary to comply with UMTRCA or Agreement State requirements and are not directly related to reclamation of Title X sites
- Costs for which the licensee previously received reimbursement from DOE
- Costs for CERCLA-specific activities not in accordance with an approved reclamation plan under Title X guidelines
- Employee relations costs, such as employee luncheons, cash awards, donations, athletic or other personal club fees, and gifts
- Fines or penalties for violation of environmental laws or other laws and regulations
- Lobbying-related costs

6.0 Cost Documentation and Recordkeeping

Accurate and complete documentation of activities and costs requires the use and maintenance of effective cost documentation and recordkeeping systems. This section defines primary recordkeeping objectives and “best practices” and suggests methods of summarizing and organizing the remediation cost documentation maintained at the licensee’s site and used to support claims for reimbursement.

6.1 Recordkeeping Objectives

To ensure the effectiveness of cost documentation and recordkeeping systems, licensees should evaluate whether their systems achieve the following recordkeeping objectives:

- Maintain complete cost documentation of remediation activities
- Follow applicable documentation standards
- Ensure timely access to remediation cost documentation

Each of these objectives, as well as the impact of meeting these objectives to expedite the reimbursement process, is described below.

6.1.1 Maintain Complete Cost Documentation of Remedial Activities

Records of costs of remedial action must be complete to ensure that all claims are supported by reasonable documentation, as defined in Appendix D of this guidance, and are traceable to an NRC- or Agreement State-approved reclamation plan or other written authorization. In other words, the licensee should maintain whatever documentation is necessary to provide a clear trail from the cost incurred to an activity required under the approved reclamation plan or other written authorization. DOE will only reimburse those costs that are supported by reasonable documentation, as specified below. In accordance with revised 10 CFR 765, documentation relied upon by a licensee in support of a claim for reimbursement shall be retained by the licensee for 4 years after final payment of a claim is made by DOE.

6.1.2 Follow Applicable Documentation Standards

Licensees should ensure that the documentation upon which a claim is based meets DOE's definition of "reasonable" documentation, as described throughout this guidance document. Under revised 10 CFR 765, licensees should comply with GAAP in preparing claims for reimbursement. Audits of claims for reimbursement will determine whether GAAP was followed in documenting the costs of remedial action being claimed.

6.1.3 Ensure Timely Access to Remediation Cost Documentation

Licensees should ensure timely access to remediation cost documentation. This will allow licensees to prepare and submit claims in a more timely and less costly manner, thus potentially increasing the benefit received through the Title X reimbursement process. In addition, timely access to cost documentation will facilitate formal audit processes, thereby expediting claim reimbursement.

6.2 Cost Documentation and Recordkeeping Guidance

The following sections provide guidance on methods of maintaining and organizing documentation of costs of remedial action. These sections provide suggested documentation and recordkeeping practices specific to each of the seven cost categories defined in Section 4.0, "Types of Costs." Although these sections serve as guidance only, utilization of the procedures suggested, or similar recordkeeping methods will help to ensure that the cost documentation maintained at the licensee's site is found to be reasonable and acceptable to DOE.

Figure 2 illustrates the types and level of documentation that DOE suggests the licensee maintain to support costs of remedial action claimed for reimbursement.

Also, it is critical that the licensee maintain documentation that demonstrates a link between costs claimed for reimbursement and remediation activities required under an approved reclamation plan or other written authorization. Licensees are required to identify the costs of remedial action associated with each major activity or requirement established by the approved reclamation plan or other written authorization.

Direct Labor

- Time and attendance records
- Position titles of staff
- Salaries of staff (annual or hourly rate)
- Methodology for allocating fringe benefits
- Fringe benefit worksheets
- Link to reclamation plan or other written authorizations

Travel

- Authorization (including purpose of trip)
- Vouchers showing starting point and destination, transportation method, number, and names of travelers, dates
- Receipts for major costs (airline, hotel)
- Proof of payment
- Basis for allocation of costs (for indirect travel)
- Link to reclamation plan or other written authorizations

Materials and Supplies

- Type(s) of materials and supplies purchased
- Purchase orders, invoices, and receiving reports
- Records of use
- Proof of payment
- Basis for allocation of costs (for indirect materials and supplies)
- Link to reclamation plan or other written authorizations

Equipment

- Type of equipment purchased
- Purchase orders, invoices, and receiving reports
- Depreciation methodology and worksheets
- Records of accumulated depreciation
- Lease agreements and bills
- "Usage rate" methodology and calculations
- Records of use
- Contractor documents
- Proof of payment
- Link to reclamation plan or other written authorizations

Contractor Services

- Contract documents
- Work orders and change orders
- Periodic progress reports
- Travel authorizations and expenses
- Approved contractor invoices
- Proof of payment
- Licensee audits of contractors
- Basis for allocation of costs (for indirect contractor costs)
- Link to reclamation plan or other written authorizations

Other Direct

- Authorization of goods or services (e.g., purchase or work orders)
- Receipt of goods or services (e.g., invoices or receiving reports)
- Cost of goods or services (e.g., invoices or receipts)
- Payment for goods or services (e.g., receipts or cancelled checks)
- Link to reclamation plan or other written authorizations

Overhead

- Types of costs included in overhead
- Authorization of goods or services (e.g., purchase or work orders)
- Receipt of goods or services (e.g., invoices or receiving reports)
- Cost of goods or services (e.g., invoices or receipts)
- Payment for goods or services (e.g., receipts or cancelled checks)
- Overhead methodology and worksheets
- Link to reclamation plan or other written authorizations

Figure 2. Sample Documentation for Costs of Remedial Action

6.2.1 Direct Labor

The licensee should maintain records of time or attendance of staff performing remediation-related activities. This documentation should include timesheets or time cards; records of staff positions and salaries; worksheets demonstrating the calculation of fringe benefit charges (if the

licensee's accounting system does not calculate fringe benefit charges automatically); a description of the methodology used for allocating fringe benefits to remediation projects, activities, or cost centers; and documentation demonstrating that costs charged to remediation were incurred to perform activities required under an approved reclamation plan or other written authorization.

6.2.2 Travel

The licensee should maintain records of travel expenses incurred by employees performing remediation-related activities. Travel expense records should include documentation of the purpose of the trip, including authorization by the appropriate manager or supervisor; travel vouchers submitted by employees showing travel dates, starting point and destination, method of transportation, and names of the persons traveling; receipts for major travel costs (e.g., hotel, airline tickets) incurred by employees; proof of payment of travel vouchers; and documentation demonstrating that costs charged to remediation projects, activities, or cost centers were incurred to perform activities required under an approved reclamation plan or other written authorization. Travel expense records should correlate to time or attendance records for the same period. For instance, if John Doe is on travel between August 3 and August 5 to conduct activities related to Project X, John Doe's timesheet should show time charged to Project X for August 3–5.

If travel expenses are incurred to support both remedial and nonremedial activities, the licensee should, at a minimum, maintain copies of the documentation described above to support the portion of costs charged to remediation projects, activities, or cost centers. The licensee should also document the basis for allocating travel expenses between applicable projects, activities, or cost centers. Licensees' travel expenses claimed for Title X reimbursement should follow federal travel regulations (41 CFR 301).

6.2.3 Materials and Supplies

The licensee should maintain records of materials and supplies purchased or used during remediation activities. Documentation of costs of materials and supplies should include a record of materials and supplies purchased for use during remedial activities; purchase orders, invoices, and receiving reports; contractor invoices, if applicable; usage records, including methodologies for calculating usage rates and documentation of the amount of materials or supplies used (e.g., inventory records, or time or attendance records) if applicable; proof of payment; and documentation demonstrating that costs charged to remediation were incurred to perform activities required under an approved reclamation plan or other written authorization.

If materials and supplies were purchased or used for both remedial and nonremedial activities, the licensee should, at a minimum, maintain copies of the documentation described above to support costs charged to remediation projects, activities, or cost centers. The licensee should also document the basis for allocating costs of materials and supplies between applicable projects, activities, or cost centers.

6.2.4 Equipment

The licensee should maintain records of equipment costs incurred in support of remediation-related activities. Equipment cost records will vary depending on the nature of the costs

incurred (e.g., equipment purchases, depreciation, equipment lease, equipment usage, or contractor provided), as described in this section. For each category of equipment cost described; however, the licensee should maintain documentation demonstrating that equipment costs charged to remediation projects, activities, or cost centers were incurred to perform activities required under an approved reclamation plan or other written authorization.

6.2.4.1 Equipment Purchase

DOE prefers that licensees continue to use the depreciation method when preparing Title X claims for tangible asset purchases greater than \$5,000, because it is a more straightforward method of cost allocation for the purposes of Title X. However, in recognition of Issue 90-8—*Capitalization of Costs to Treat Environmental Contamination*—from FASB’s Emerging Issues Task Force, DOE may consider reimbursement of claims for expensed assets over \$5,000 on a case-by-case basis. For DOE to consider such claims, several conditions must be satisfied to protect the government’s interest if a licensee obtains proceeds from the sale or reuse of an expensed item, files for bankruptcy, or otherwise has the potential to place the government in a position of having to recover reimbursements made to the licensee. See Section 4.1.1.4, subsection “Equipment Purchase,” for additional information.

6.2.4.2 Depreciation

If equipment is used to perform remediation activities and equipment depreciation charges are appropriately made to remediation projects, activities, or cost centers, cost records should include a record of all equipment purchased; purchase orders, invoices, and receiving reports; proof of payment; methodology and worksheets used to calculate depreciation charges; and records of accumulated depreciation.

6.2.4.3 Equipment Lease

If equipment is leased solely for use during remedial activities, cost records should include lease agreements, lease bills, and proof of payment. If leased equipment was used for both remedial and nonremedial activities, licensees should refer to Section 6.2.4.4, “Equipment Usage” on how to document this type of usage.

6.2.4.4 Equipment Usage

For purchased or leased equipment that is used for both remediation and nonremediation activities, equipment usage charges should be made to both the remediation projects, activities, or cost centers, and the nonremediation projects, activities, or cost centers for which the equipment was used. Cost records should include “Equipment Purchase” or “Equipment Lease” records, as described above; methodology and worksheets used to calculate equipment usage rates; and records of equipment use for each applicable remediation project, activity, or cost center.

6.2.4.5 Contractor Provided Equipment

If a contractor provides the equipment utilized during remedial activities, cost records should include contract documents, contractor invoices, and proof of payment as described in Section 6.2.5, “Contractor Services.”

6.2.5 Contractor Services

The licensee should maintain records of payments made to contractors for goods or services obtained to further remediation efforts. Records of contractor costs should include contract documents; work orders; periodic (e.g., monthly) progress reports; travel authorizations and expenses, reports of any contract audits conducted; approved contractor invoices; proof of payment; and documentation demonstrating that the goods or services received were used to perform activities required under an approved reclamation plan or other written authorization.

If contractor goods or services were obtained in support of both remedial and nonremedial activities, the licensee should, at a minimum, maintain copies of the documentation described in the preceding paragraph to support costs charged to remediation projects, activities, or cost centers, and document the methodology and worksheets used to allocate contractor costs between the applicable projects, activities, or cost centers.

6.2.6 Other Direct Costs

The licensee also should maintain records of direct expenses incurred in support of remediation activities that do not fall under the categories listed above. As stated in Section 4.0, other direct costs may include such items as rent, utilities, taxes, and permit costs. The cost records maintained for each type of expense will vary depending on the nature of the expense. In general, records should be maintained that document the following:

- Authorization of goods or services obtained. (e.g., signed purchase or work orders)
- Receipt of goods or services by the licensee (e.g., invoices or receiving reports)
- Cost of goods or services received (e.g., invoices or receipts)
- Payment by the licensee for goods or services received (e.g., receipts or cancelled checks)

In addition, the licensee should maintain documentation demonstrating that the costs charged to remediation projects, activities, or cost centers were incurred to perform activities required under an approved reclamation plan or other written authorization.

6.2.7 Overhead

The licensee should maintain records of expenses included in overhead charges made to remediation projects, activities, or cost centers. Cost records in this category should include a listing and description of all expense items included in overhead cost pools; copies of supporting documentation that demonstrate the four points described in Section 6.2.6, “Other Direct Costs” for each item included in overhead; documentation of the methodology used to allocate overhead cost pools to applicable remediation projects, activities, or cost centers; documentation of overhead calculations; and documentation demonstrating a link between overhead costs and an approved reclamation plan or other written authorization.

Some licensees may include overhead costs attributable to a parent company or other corporate offsite location. While these costs may be reimbursable, the licensee must be able to document how the claimed portion of overhead was derived. At a minimum, copies of the records described above should be maintained for corporate overhead included in claims for reimbursement of remediation costs.

7.0 Claim Filing, Review or Audit, Appeal, and Reimbursement of Costs

It is important that the licensee understand their roles and responsibilities during the claim filing, review, and reimbursement process. The first step is to follow the concepts illustrated by the documentation and recordkeeping guidance provided in the preceding sections. This will ensure that the licensee has reasonable documentation to support its cost reimbursement claims. The next step is for the licensee to understand the claim filing process and subsequent review, audit, and appeals processes set forth in this section.

Figure 3 provides a summary of the Title X claim reimbursement process from congressional appropriation through payment of reimbursement claims and appeals. DOE will issue a *Federal Register* notice announcing the claim submission deadline for that fiscal year. DOE may also issue additional guidance at this time because of policy decisions made or lessons learned in the previous review cycle. If Congress does not appropriate funds, DOE will still issue a *Federal Register* notice informing licensees of the situation. When funds are not available, DOE will allow licensees to submit their claims for cleanup work with the understanding that DOE may not be able to perform reviews or audits on the claims or provide licensees with reimbursements.

This section describes the major steps in the cost reimbursement claim filing process and defines the licensee's responsibilities during each step. There are seven major steps in the reimbursement claim filing and approval process, as follows:

1. Determination of total costs of remedial action
2. Demonstration of link between costs of remedial action and an approved reclamation plan or other written authorization
3. Summarization of costs of remedial action and supporting documentation
4. Calculation of federal portion of costs of remedial action
5. Preparation and submission of claim packages
6. Review of claim packages
7. Cost reimbursement decision-making and appeals

The first five steps in the cost reimbursement and claim filing process are to be completed by the licensee; the last two (review of claim packages and cost reimbursement decision-making and appeals) are completed by DOE.

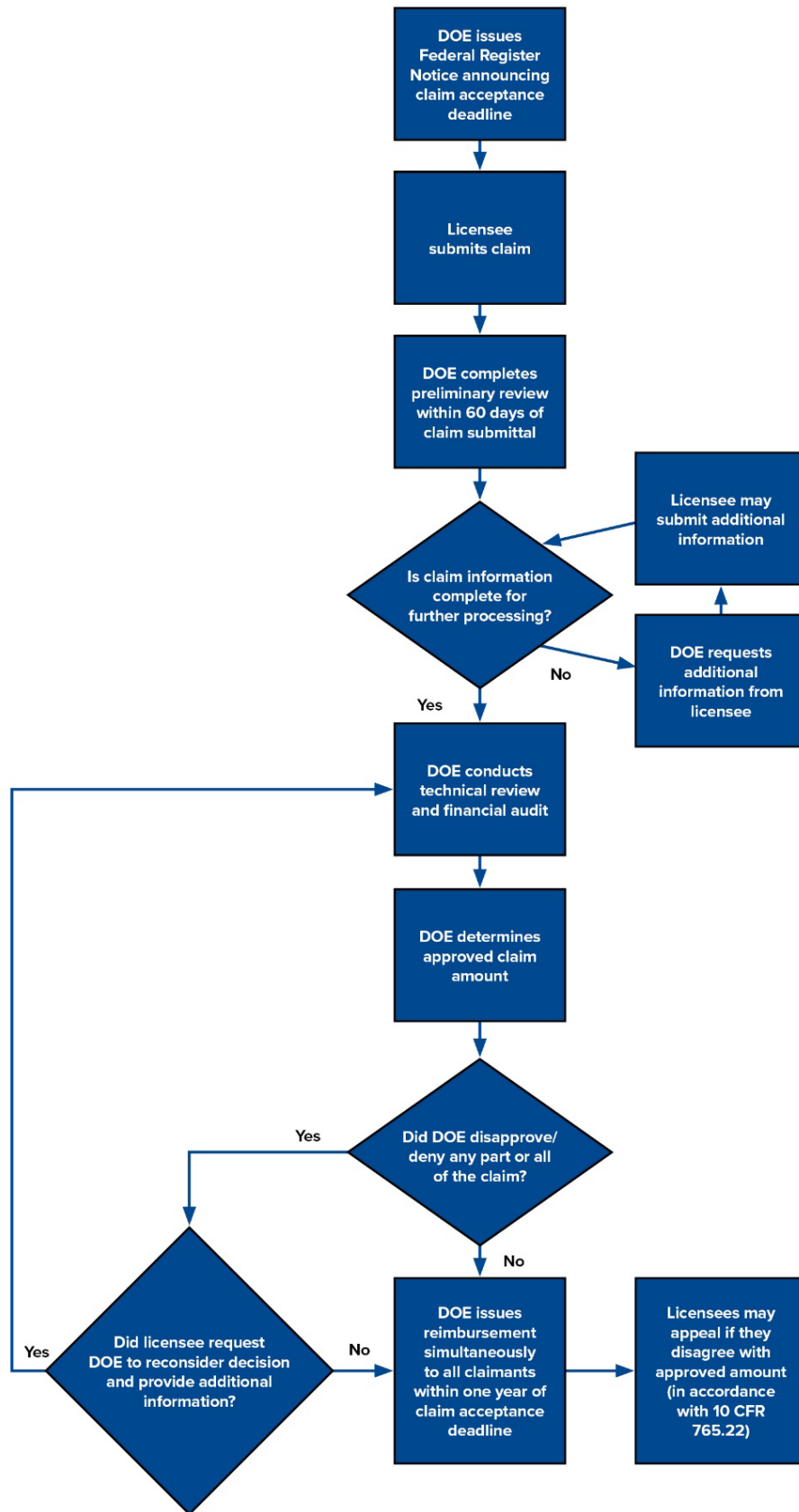


Figure 3. Annual Claim Reimbursement Process

7.1 Claim Filing (Licensee)

The first five steps should be completed for each year or portion thereof for which the licensee is seeking reimbursement. In other words, separate claims for reimbursement should be prepared for each complete corporate fiscal year during which the licensee incurred reimbursable costs of remedial action. In addition, if the licensee has only incurred costs of remedial action during some portion of a given corporate fiscal year or if the licensee is claiming specific additional costs from a year previously claimed, the claim should still be submitted by year. Multiple claim submittals may be prepared and submitted to DOE simultaneously. For example, if the licensee intends to claim costs incurred during fiscal years 2020 through 2024 in one claim filing period, the licensee should prepare and submit at least five separate claim packages plus a summary of all 5 years, as described in this section and in Appendix A. Appendix A provides additional detail and examples of each section of the claim submittal. The remainder of this section provides further discussion of each of the five steps of the claim filing process listed above.

7.1.1 Determination of Total Costs of Remedial Action

The first step of the claim filing process requires the licensee to determine total costs of remedial action incurred, for each licensee fiscal year or portion thereof, included in the claim. For instance, if the licensee claims costs for fiscal year 2023 and fiscal year 2024, the first step of the process would be to determine total costs of remedial action for fiscal year 2023 and total costs of remedial action for fiscal year 2024. Costs should be compiled in such a manner as to facilitate tracing of those costs back to the licensee's official books and records. As part of these determinations, the licensee must exclude any costs that DOE has defined to be nonreimbursable, as described in Section 5.0. If nonreimbursable costs are not excluded from the claim, the claim will most likely be returned to the licensee for revision, and the review process and response time may be significantly impacted.

7.1.2 Demonstration of Link Between Costs of Remedial Action and an Approved Reclamation Plan or Other Written Authorization

The second step of the process is for the licensee to correlate costs of remedial action for which reimbursement is claimed to an approved reclamation plan or other written authorization. The licensee should compile documentation that provides this “trail” from total cost to costs of specific remedial activities to the approved plan. The licensee should cross-reference this documentation to sections of or activities set out in an approved reclamation plan or other written authorization. The licensee may already use codes that reference particular projects, activities, or cost centers (sometimes referred to as a work breakdown structure). If this is the case, the licensee should explain the correlation between the identification codes and the approved reclamation plan or other written authorization. Costs that cannot be traced back to an approved reclamation plan or other written authorization are not reimbursable.

7.1.3 Summary of Costs of Remedial Action and Supporting Documentation

The third step of the claim filing process requires the licensee to summarize the total costs of remedial action determined in Step 1 and provide documentation supporting those costs. The licensee should summarize costs and documentation by major category of cost as suggested in Section 4.1, “Types of Costs of Remedial Action,” and by the type of remediation work as

identified in an approved reclamation plan or other written authorization. The licensee should utilize its General Ledger as the basis for identifying types of costs, as this will facilitate tracing of those costs to the licensee's summary and source supporting documentation. If cost or documentation summaries provided do not reconcile to official books and records (i.e., General Ledger and source documents), the licensee should note the nature of and reason for the departure. Appendix A provides a sample matrix of types of costs and types of remediation activities.

Each summary of costs and documentation should cover all costs incurred within a particular fiscal year. For instance, cost and documentation summaries should be prepared for each major category of cost (e.g., labor, travel, materials and supplies, equipment, contractor services, other direct, and overhead) incurred in performing interim stabilization duties in a particular fiscal year. Likewise, summaries should be prepared for each other type of activity conducted during that fiscal year. Summaries of costs of remedial action and supporting documentation should serve as the basis for reimbursement and should be included in reimbursement claim packages submitted to DOE. Section 7.1.3 describes the inclusion of summaries of costs of remedial action and summaries of supporting documentation in claims for reimbursement.

7.1.4 Calculation of Federal Portion of Costs of Remedial Action

The fourth step of the process requires the licensee to calculate the federal-related portion of the total cost determined in the first step of the process, using the DOE federal reimbursement ratios for each site. As stated previously, the licensee must ensure that the total costs used in this calculation do not include any nonreimbursable costs. This calculation should be performed for each year included in the claim package. Thus, the licensee should multiply each year's total claimed amount by the site's federal reimbursement ratio to determine the total federal-related, reimbursable costs of remedial action for each year. If DOE subsequently disapproves any of the costs of remedial action included in the licensee's claim for reimbursement, the federal ratio should be re-applied to the revised total costs of remedial action. The current listing of federal reimbursement ratios (in accordance with revised 10 CFR 765) is included in Appendix B. In addition, Appendix A presents a sample calculation of the federal portion of total costs of remedial action for 1 year.

7.1.5 Preparation and Submission of Claim Packages

The fifth step is for the licensee to prepare the reimbursement claim package for submission to DOE. A detailed discussion of the documents to be submitted as part of the claim package is included in Appendix A, along with a sample claim package submittal. A checklist of items to be included in the claim package submittal is presented in Figure 4.

Cost Summary Document:

- ✓ Include Cost Summary Document for each year or portion thereof
- ✓ Include all reclamation cost categories
- ✓ Include all types of reclamation activities conducted
- ✓ Include totals for each type of cost and type of reclamation activity
- ✓ Include calculation of federal-related costs of remedial action

Summary Documentation:

- ✓ Summary-level documentation is provided for each year or portion thereof included in the claim
- ✓ Cross-references to the regulatory authorization matrix
- ✓ Clearly defines the cost categories included in the claim and facilitates understanding of the documentation

Narrative Description:

- ✓ Includes a narrative section for each year or portion thereof for which costs are being claimed, including items such as start and end dates, major accomplishments, and resources utilized
- ✓ Includes a high-level summary narrative section (or updates to such a section), with such items as major phases of reclamation completed and general site history information
- ✓ Cross-references to the regulatory matrix
- ✓ Cross-references to the types of costs and reclamation activities included in the Cost Summary Document
- ✓ Includes a statement of certification as to the accuracy and completeness of the claim
- ✓ In general, provides the reviewer with enough of an understanding of the costs, activities, and associated regulatory authorization to allow adequate evaluation of the claim at a summary level

Regulatory Authorization Matrix:

- ✓ Cross-references to the Cost Summary Document
- ✓ Identifies all major sources of regulatory authorization
- ✓ Provides description of regulatory source documents in bibliography format or within the matrix itself
- ✓ Is updated prior to each claim submittal to include revisions, amendments, or new sources of regulatory authorization
- ✓ Clearly ties each type of reclamation activity to source(s) of regulatory authorization

Approved Reclamation Plan or Other Written Authorization:

- ✓ Current copy of reclamation plan and any amendments have been submitted at least one time to DOE or are included in the claim package
- ✓ Claim package includes all amendments and modifications issued since previous claim-package Submittal
- ✓ Each document submitted is clearly referenced and described in the regulatory authorization matrix

Figure 4. Claim Package Checklist

7.1.5.1 Cost Summary Document

The first item that the licensee should submit as part of the cost reimbursement claim package is the Cost Summary Document. Separate Cost Summary Documents should be prepared for each fiscal year or portion thereof for which reimbursement is claimed. The Cost Summary Document is a matrix of categories of costs (e.g., direct labor, contractor costs) versus remediation work types (e.g., groundwater, tailings management). Each block of the matrix should contain the total reimbursable costs of remedial action being claimed for that cost category and type of work for the given year. For instance, a block mapping to “Direct Labor” and “Groundwater” should include the total direct labor costs incurred in performing groundwater-related activities for the given year.

A sample Cost Summary Document is included in Attachment A-1. The licensee should use this sample as a guideline for developing Cost Summary Documents. However, the categories of cost and remediation activities included in a licensee's actual Cost Summary Document should be based on that licensee's official books and records. Thus, a licensee's Cost Summary Document may include additional or different cost categories and remediation activities than the sample Cost Summary Document. If the costs reported do not reconcile to the licensee's official books and record, the licensee should explain the nature of and reason for the departure. In addition, if the licensee used an accounting principle or practice that differs from GAAP, the licensee should explain or be prepared to discuss or demonstrate how this principle or practice results in a more accurate assignment or allocation of cost. The licensee should not include the same costs on more than one Cost Summary Document. A separate Cost Summary Document should be submitted for each fiscal year or portion thereof for which costs are being claimed.

7.1.5.2 Summary Documentation

The second item in the cost reimbursement claim package is a summary of the documentation supporting the claim for reimbursement. This portion of the claim should summarize the documentation supporting each block of cost included on the Cost Summary Document and should be cross-referenced accordingly. For example, for the block mapping to "Materials and Supplies" and "Groundwater," the summary documentation might consist of a log of materials and supplies used in conducting groundwater monitoring activities. The summary documentation included in the claim package is intended to provide only summary level support, serving as a starting point for further review and audit, not a detailed trail of source documents. However, the documentation provided should trace back to detailed supporting or source documentation maintained onsite for the purpose of conducting audits. If the documentation provided does not reconcile to official books and records, the licensee should note the nature of and reason for the departure.

The licensee also should include in their claim any information necessary to accurately interpret the supporting documentation (e.g., the licensee could include portions of an accounting manual that defines cost pools or accounting codes contained on the supporting documentation). A sample of the summary documentation, which might be included in the reimbursement claim package, is in Attachment A-2.

7.1.5.3 Narrative Description

The third item to be included in the reimbursement claim package is a narrative description of remedial activities at the site. This narrative should provide a summary of the activities completed for which costs are being claimed and should demonstrate a link between costs claimed and activities required under an approved reclamation plan or other written authorization. A link must be shown between costs and approved remediation activities for the costs to be reimbursable.

The licensee should provide the following narrative sections, as specified:

- The first section should provide a high-level, summary description of the site and reclamation efforts to date. This section should include items such as site operating and closure dates; characterization of buildings and property; major regulatory drivers; unique site characteristics; significant actual or planned milestones and accomplishments (e.g., start

and end dates of major phases of the cleanup process, major purchases of equipment and materials); characterization of cleanup approach; extent of contractor involvement; previous interactions with or funding received from DOE; and NRC Agreement State, or other regulatory authority involvement. This section or updates to it should be provided with each claim. For example, a lengthy narrative might be needed with earlier claims that cover multiple years, whereas subsequent claims may need only 1–2 additional paragraphs.

- The second section should be delineated by type of remediation activity, and by year or portion thereof for which costs are being claimed. This narrative should provide additional detail on activity descriptions, status, and start and end dates; major accomplishments and milestones; resources used for each activity performed during that year or portion thereof, including materials, equipment, and personnel (e.g., whether an activity was conducted in-house or contracted out); and descriptions of the components of any other major categories of costs included in the claim for that year.

In general, the licensee should attempt to provide the claim reviewer with enough of an understanding of the types of reclamation activities and cost categories included in the claim and the associated regulatory authorization to allow adequate evaluation of the claim at a summary level. Sample narrative description examples are included in Attachment A-3.

7.1.5.4 Regulatory Authorization Matrix

The fourth item in the reimbursement claim package is a matrix of sources of regulatory authorization for remedial activities performed at the site. This matrix should provide a correlation between remedial activities being conducted by the licensee and the source of authority for conducting those activities. For each major type of remedial activity, a section of the approved reclamation plan or other written authorization (e.g., letters or memos issued by the NRC or the Agreement State) should be identified and defined. The licensee may: (1) submit an actual matrix cross-referencing reclamation activity to titles of the appropriate sources of regulatory authorization with an attached “bibliography” defining each of the regulatory documents referenced or (2) incorporate brief descriptions of each source of regulatory authorization into the matrix. The licensee should resubmit this matrix with each new claim, updating the list of regulatory source documents as necessary. However, the actual source documents only need to be submitted once if they remain unchanged. A sample Regulatory Authorization Matrix is in Attachment A-4. This sample incorporates descriptions of the source regulatory documents into the matrix.

7.1.5.5 Approved Reclamation Plan or Other Written Authorization

The fifth item included in the cost reimbursement claim package is the NRC-approved or Agreement State-approved reclamation plan or other written authorization. Copies of the final approved plan and subsequent revisions or modifications have been included in past claim packages submitted to DOE. When accounting for future years, the licensee should submit all approved revisions or modifications occurring between the dates of the last claim submittal and the current submittal. For instance, if a licensee submits a claim in 2023 and submits its next claim in 2025, the licensee should include in the 2025 submittal all approved revisions or modifications to the plan or other authorization made subsequent to the 2023 submittal date. Each source of regulatory authorization (i.e., approved reclamation plan and amendments or

other written authorization) should be noted and described briefly in the Regulatory Authorization Matrix of the claim package (see Section 7.1.5.4.).

7.1.5.6 Signature Attesting to Accuracy and Correctness of Submittal

The final item included in the cost reimbursement claim package is a certification as to the accuracy and completeness of the claim package. This should be signed by an authorized officer for the licensee.

8.0 Review and Audit of Cost Documentation

This section provides a general discussion of the review and audit processes associated with Title X cost reimbursement. It addresses DOE's responsibilities about these processes and outlines the licensee's actions during these phases.

8.1 Review of Claim Packages

8.1.1 Preliminary Review

Upon receipt of the reimbursement claim package, DOE will perform a preliminary review of the summary cost documentation and regulatory authorization submitted. DOE will evaluate the reasonableness of the documentation submitted and determine whether the costs claimed were incurred specifically for activities required under an approved reclamation plan or other written authorization. If DOE cannot complete the preliminary review to its satisfaction with the information provided in the claim (e.g., data are incomplete or unclear), DOE may either (1) return the claim to the licensee for revision or clarification or (2) request additional information to be submitted before completing the preliminary review. Documentation supporting claims for reimbursement is also subject to a formal financial and technical audit, as determined by DOE.

Once DOE has completed the preliminary review to its satisfaction, the financial audit process begins in earnest. The financial audit team attempts to conduct as much of the background review as possible before the onsite visit, if required. The exchange of information between the licensee and DOE, most notably the sharing of additional documentation, during this phase will reduce the time needed to conduct the onsite review.

Examples of what the review team does, and how those actions are accomplished, are as follows:

- Ensure that costs claims are mathematically accurate
- Review previous findings and develop a plan to assess whether the findings have been corrected
- Review the General Ledger report for unusual items (e.g., duplicate costs, vague descriptions, large purchases)
- Interview via teleconference the licensee personnel who prepared and signed the claim
- Choose a sample selection from the General Ledger report and request supporting documentation for each sample selection

- Review the supporting documentation to determine if the claims are reimbursable by deciding (1) if proof of payments exists, (2) if the scope of work is defined and related to Title X remediation activities, (3) if the direct charges should be indirect costs, (4) if depreciation charges are consistent with past methods, and (5) if costs claimed are reasonable

The results of these evaluations will determine whether the sample selection should be expanded and what additional information is needed to complete the audit and will also establish what in-depth analysis will be performed at the onsite visit.

Before conducting an audit and or technical review, DOE will notify the licensee in writing about the dates, nature, and scope of the audit or review, or both, and any additional steps that the licensee will need to take to adequately prepare for the audit or technical review, or both (e.g., ensure that specific individuals or documentation will be available). In addition, DOE may hold a teleconference with the licensee or other related parties, or send a letter, to discuss specific issues or relay any information that will facilitate the audit and technical review process.

8.1.2 Onsite Audit or Technical Review Processes

As necessary, DOE will contact the licensee to schedule an independent financial audit or technical review of the documentation supporting the claim for reimbursement. These audits or technical reviews will be conducted at the licensee's site and will be performed in accordance with the standard financial review practices of adequate risk analysis, impartiality, adequate planning, obtaining appropriate and sufficient evidence, well-documented, adequate training, compliance with rules and regulations, and adequate review experience. The remainder of this section describes the timing and scope of the audits or technical reviews, as well as necessary preparation for which the licensee is responsible.

8.1.2.1 Timing of Assessments or Audits

The decision about whether a financial audit, a technical review, or both, should be conducted for a particular claim for reimbursement will be made on a case-by-case basis. However, DOE's intent is to conduct financial audits and technical reviews for every claim submission. DOE will conduct technical reviews and financial audits concurrently.

8.1.2.2 Assessments or Audit Scope

Assessment or audits will be limited in scope to those documents that allow the reviewer or auditor to verify costs and remediation activities included in the Cost Summary Document. A decision about the depth of the financial audits will be determined by the auditors based on a preliminary review of the documentation available, and other applicable standards. The licensee should be prepared to provide financial and technical reviewers or auditors with all necessary documentation, and to make available all appropriate personnel to be interviewed and to assist the reviewers/auditors in completing their reviews. See Section 8.2, "Licensee Preparation for DOE Claim Review," for guidance on steps the licensee must take to prepare for financial and technical reviews or audits.

The reviewers or auditors will meet with the licensee prior to finalizing assessment or audit reports to allow clarification of any unresolved issues. DOE will consider any financial audit and technical review reports when making a decision regarding a claim for reimbursement.

The financial audit portion of the claim review will include the following:

- Meeting with DOE representatives familiar with the licensee's structure and operations to understand the issues relevant to the financial review and potential areas of focus for our performance audit
- Obtaining an understanding of the licensee's internal controls as they relate to the preparation of the claimed amount
- Conducting a preliminary risk assessment, including reviewing previous findings and corrective actions, reviewing supporting detail for unusual items, and interviewing licensee personnel
- Evaluating the claim and supporting detail for completeness and mathematical accuracy
- Testing a sample of claimed costs to underlying invoices, vouchers, and payment documentation to ensure the claimed cost was paid during the claim period and related to Title X activities
- Performing analytical and other audit procedures over amounts claimed
- Documenting questioned costs and exceptions, if any, for review by DOE officials, and making a recommendation regarding final reimbursement
- Providing licensee representatives with a draft of our findings and questioned costs
- Conducting an exit conference with the licensee to discuss the objective of our performance audit, procedures performed, and any findings

8.2 Licensee Preparation for DOE Claim Review

To prepare for the financial audit and technical review processes, the licensee is responsible for the following:

- Ensure that all appropriate personnel are available for financial audits and technical reviews
- Ensure that underlying supporting data are readily available for review (as of claim submission date)
- Be prepared to discuss in detail each type of cost (i.e., components of costs and relation to remediation efforts, including both direct and indirect cost components) and types of remediation activities (i.e., description of activities and relation to regulatory authorization) included in the claim)
- Be prepared to demonstrate or explain cost calculations, especially in cases in which accounting principles used in claim preparation deviate from normal accounting practices used or from GAAP
- Be prepared to discuss the remediation history of the site from inception to the present

These main preparatory steps will greatly facilitate the onsite audits or technical reviews, or both, conducted by or under the supervision of DOE. In addition, the licensee should be prepared to

provide to DOE timely follow-up information resulting from the financial audit or technical review processes.

8.2.1 Cost Reimbursement Decision-Making and Appeals

8.2.1.1 Reimbursement Decisions

Upon completion of necessary audit or review of one or more years of a claim package, DOE-EM will make a determination about the amount to be reimbursed to the licensee. DOE-EM will provide the licensee with a written decision about the determination to approve, approve in part, or deny a claim.

8.2.1.2 Requests for Reconsideration and Formal Appeals

If DOE denies all or part of a claim due to inadequate documentation, the licensee may request that DOE reconsider its decision. The licensee must provide reasonable additional documentation with the request within 45 days of DOE's written decision. If the licensee chooses not to submit the additional documentation, the licensee still has the right to file a formal appeal to a claim denial (as described below). If, after reviewing the additional documentation provided by the licensee, DOE determines to still deny all or part of a claim, the licensee may still file a formal appeal.

Upon receiving a reimbursement decision from DOE, the licensee has 45 days to appeal that decision. Appeals should be filed with DOE's Office of Hearings and Appeals. Appeals will be governed by, and must comply in full with, the procedures set forth in revised 10 CFR 1003.

8.2.1.3 Reimbursements

All reimbursements approved by DOE in a given year will be processed for payment at the same time to ensure an equitable distribution of appropriations. Reimbursement decisions will be made on a prorated basis if there are insufficient funds to reimburse all claims in full. Table 3 presents an illustration of the prorated process to be used.

Table 3. Calculation of Prorated Reimbursement Claims

201X Claim Amount	±	Adjustment for Errors	–	Disallowed Costs	=	Approved Amount
Approved Amount	×	Federal Reimbursement Ratio	=			201X Federal Portion
201X Federal Portion	+	Outstanding Payment Balance Due	=			Total Licensee Federal Portion
Total Licensee Federal Portion	×	Available 201X Federal Funds	=			201X Licensee Prorated Payment
Sum of All Licensees' Federal Portions						

8.2.1.4 Statements of Account (SOAs)

SOAs are statements that track the payments to the licensees on the basis of their remaining ceiling. The purpose of the SOA is to provide licensees with the official status of their reimbursement accounts. The SOA informs the licensees which costs have been allowed or disallowed and outlines their remaining ceiling and the remaining balances through the last payment. SOAs are sent to each licensee who submits a claim for that claim cycle.

Appendix

Appendix A

Sample Claim Submittal

The following is a list of the items to be provided in the cost reimbursement claim submittal:

- Cost Summary Document (Attachment A-1)
- Summary Documentation (Attachment A-2)
- Narrative Description (Attachment A-3)
- Regulatory Authorization Matrix (Attachment A-4)
- Licensee Statement of Certification (Attachment A-5)
- Approved Reclamation Plan or Other Written Authorization

This appendix provides a brief description and sample of each of the first five items. The sixth item, “Approved Reclamation Plan or Other Written Authorization,” is discussed in Section 7.1.5.5. The discussions and examples included in this appendix are intended to provide the licensee with guidance only. The licensee should follow the concepts outlined below but should complete claim packages based on its own existing cost documentation and categories of costs and remedial activities. This will ensure that the cost of completing the claim package does not outweigh the potential amount of reimbursement to be received.

A1.0 Cost Summary Document

The Cost Summary Document (Attachment A-1) provides a summary of total reimbursable costs of remedial action for a specified year or portion thereof. The costs are segregated into defined categories (e.g., Direct Labor, Travel) for each major type of activity included in an approved reclamation plan or other written authorization (e.g., Project Management, Compliance Activities). *This matrix of costs should be tailored to the individual licensee's accounting system and approved reclamation plan or other written authorization.* Additional or different categories of costs or types, or both, of remediation activities should be included, as applicable, in the Cost Summary Document submitted by each licensee. Following the cost matrix, the licensee should provide the total of all blocks in the matrix multiplied by the appropriate federal reimbursement ratio (see Appendix B) to determine the total federal-related costs of remedial action. **(Note: The first column should be tailored to each site based on the applicable approved reclamation plan; the first row should be tailored to the licensee’s accounting or recordkeeping systems.)**

A2.0 Summary Documentation

The second part of the claim submittal is the Summary Documentation (Attachment A-2), which supports costs claimed in each block of the Cost Summary Document (Attachment A-1). Summary documentation should be cross-referenced, as illustrated in Attachment A-2, to the individual categories provided in the Cost Summary Document. This documentation is intended to provide only summary level support of the claim, not a detailed compilation of source documents. Detailed source documentation should be maintained onsite as described in

Section 7.1.5.2 of this document. Sample summary documentation which meets DOE’s claim submittal needs is included as Attachment A-2, and for illustrative purposes, ties to the sample Cost Summary Document. Due to differences in each licensee’s financial management and accounting systems, the summary documentation may vary. Each licensee should include **the best available summary documentation** in this portion of its claim package the best available summary documentation to support the Cost Summary Document.

A3.0 Narrative Description

The third part of the claim submittal is a narrative description (Attachment A-3) of remedial activities conducted for which costs are being claimed. This narrative will provide DOE with a link between the costs claimed and an approved reclamation plan or other written authorization, as well as provide information to evaluate claims. There are two sections of narrative: one that provides a high-level site summary and a description of major milestones or accomplishments, and one for each year of the claim that provides a lower level of detail on activities completed. See Section 1 of Attachment A-3, for additional guidance on the content of each narrative section. As part of the narrative, the licensee should include a statement of verification as to the accuracy and completeness of the claim. Sample narrative sections are included as Attachment A-3, and for illustrative purposes, tie to the Sample Cost Summary Document (Attachment A-1) and Summary Documentation (Attachment A-2).

A4.0 Regulatory Authorization Matrix

The fourth item in the reimbursement claim package is a matrix **mapping types of remediation activities to the appropriate** sources of regulatory authorization (e.g., NRC-approved or Agreement State-approved reclamation plan or other correspondence with regulatory agencies). The “Types of Remediation Activities” included in this matrix should match the “Types of Remediation Activities” included in the far-left column of the Cost Summary Document (Attachment A-1). This matrix should include and describe each major section of the reclamation plan and any other correspondence or similar authorization received by the licensee from a regulatory organization, which is included in the claim package. A sample matrix is included as Attachment A-4 and, for illustrative purposes, ties to the sample Cost Summary Document (Attachment A-1) and Narrative Description (Attachment A-3). The sample regulatory matrix includes only those sources of regulatory authorization referenced in Section 2 of Attachment A-3. Alternatively, the licensee may provide a matrix in a format similar to the sample Cost Summary Document (Attachment A-1), with reclamation activities mapped against sources of regulatory authorization (instead of types of costs). However, if this standard matrix format is used, the licensee should also attach brief descriptions of each source document included in the matrix (i.e., a bibliography of sources of regulatory authorization).

A5.0 Licensee Statement of Certification

The final part of the claim is the licensee’s statement of certification as to the accuracy and completeness of the claim. A sample statement of certification is included for illustrative purposes (Attachment A-5).

Attachment A-1

Sample Cost Summary Document

Year Claim: 2020
ABC Corporation

Type of Remediation Activity (Cost Center)	Type of Cost							Totals
	Direct Labor	Travel	Materials and Supplies	Equip.	Contractor Services	Other Direct	Overhead	
Groundwater (100)	\$3,100.00		\$300.00		\$3,000.00	\$300.00		\$6,700.00
Occupational Radiation Control (200)	\$1,500.00							\$1,500.00
Environmental Radiation Control (300)	\$820.00							\$820.00
Tailings Management (400)	\$1,300.00			\$230.00				\$1,530.00
General Mill Remediation (500)	\$4,400.00							\$4,400.00
Evaporation Pond Operation (600)	\$900.00		\$340.00			\$120.00		\$1,360.00
Tailings Facility (700)					\$15,700.00			\$15,700.00
Mill Decommissioning (800)					\$18,200.00			\$18,200.00
Analytical (900)	\$390.00				\$740.00			\$1,130.00
Hazardous Waste Management (1000)	\$850.00			\$490.00		\$300.00		\$1,640.00
Administrative (1100)		\$150.00					\$4,800	\$4,950.00
Totals	\$13,260.00	\$150.00	\$640.00	\$720.00	\$37,640.00	\$720.00	\$4,800	\$57,930.00

Note:

Total Costs of Remedial Action × Federal Reimbursement Ratio = Federal-Related Costs \$57,930.00 × .493 (see Appendix B) = \$28,559.49

Attachment A-2

Sample Summary Documentation

Direct Labor Costs:

*ABC Corporation
Direct Labor Summary
Groundwater Activities*

Cost Center Description	Month	Total Cost
100, Groundwater	1/95	\$250.00
	2/95	\$250.00
	3/95	\$250.00
	4/95	\$250.00
	5/95	\$350.00
	6/95	\$250.00
	7/95	\$250.00
	8/95	\$250.00
	9/95	\$250.00
	10/95	\$250.00
	11/95	\$250.00
	12/95	\$250.00
TOTAL Cost Center 100		\$3,100.00

Travel Costs:

*ABC Corporation
Summary of Travel Costs*

Traveler Name	Purpose of Travel	Dates of Travel	Total Cost
John Doe	Conduct 2-day OSHA training course at site X	4/15/20–4/18/20	\$150.00
TOTAL Cost Center 1100			\$150.00

Materials and Supplies Costs

*ABC Corporation
Warehouse Supplies Summary
Year Ending December 31, 2020*

Description	Number of Items	Date	Value	Cost Center
Filters	20	6/30	\$300.00	100
Misc. Supplies	Not Applicable	9/15	\$340.00	600
TOTAL Value			\$640.00	

Equipment Costs:*ABC Corporation
Equipment Records*

Item Description	Period	Equipment Cost	Estimated Life	Depreciation Expense*	Cost Center
Scraper	5/95	\$41,400.00	15 years	\$230.00	400
Truck A	7/95	\$18,000.00	12 years	\$125.00	1000
Truck B	7/95	\$18,000.00	12 years	\$125.00	1000
Truck C	7/95	\$18,000.00	12 years	\$125.00	1000
Truck D	7/95	\$16,560.00	12 years	\$115.00	1000
Total				\$720.00	

Note:

*Calculated using the straight-line method of depreciation

Contractor Services Costs:*Contract Cost Summary
(ABC Corporation)*

Contractor:	ABC Corporation		
Contract Number:	99-ABC-1234		
Type of Contract:	Fixed Cost/Unit		
Project Officer:	Robert Johnson		
Date of Service:	2/01/1995–11/01/1995		
Actual Total Cost:	\$36,900.00		
Summary of Services Provided:	Drill four injection wells, recontour site, survey and provide quality control, and decommission mill at site X		
Documentation	Copies of applicable paid invoices (detail below)		
Invoice Number:	Invoice Date:	Invoice Amount:	Cost Center:
1234-001	6/30/1995	\$3,000.00	100
1234-002	12/01/1995	\$15,700.00	700
1234-003	12/01/1995	\$18,200.00	800
Total		\$36,900.00	

*Contract Cost Summary
(Chem Laboratories, Inc.)*

Contractor:	Chem Laboratories, Inc.		
Contract Number:	15231-CL-345		
Type of Contract:	Fixed Price		
Actual Total Cost:	\$740.00		
Summary of Services Provided:	Laboratory analysis of water samples (30 samples) from reclamation site		
Documentation	Copies of paid invoice (detail below)		
Invoice Number:	Invoice Date:	Invoice Amount:	Cost Center:
CL-54321	10/15/1995	\$740.00	900
Total		\$740.00	

Other Direct Costs:

*ABC Corporation
Other Direct Account Summary*

Description	Period Covered	Total Cost	Cost Center
Electric	3/95-6/95	\$300.00	100
Electric	3/95-6/95	\$120.00	600
Diesel Fuel	7/95	\$300.00	1000
		\$720.00	

Overhead Costs:

*ABC Corporation
Overhead Distribution Sheet for Cost Center 1100*

Fiscal Year	Payroll Hours	Overhead Rate	Overhead Costs
1995	100.00	\$48.00 ^a	\$4,800.00
		Total Charged	\$4,800.00

Note:

^a Description of items included in the overhead cost pool is incorporated in the narrative description under Administrative Costs.

Attachment A-3

Sample Narrative Description

ABC Corporation

Section 1: Narrative Site Summary

ABC Corporation's mill site is located approximately 4 miles west of Springfield, Arizona, on the confluence of the East and West Rivers. The site covers 110 acres of which 73 acres are covered by 3.2 million cubic yards of tailings and 20 acres by the processing plant. An area of about 120 acres adjacent to the site is also contaminated by windblown tailings. Major features at the site include tailings pile 1 (2.8 million cubic yards), tailings pile 2 (0.4 million cubic yards), primary and secondary mill buildings, ten ore storage pads, eight maintenance buildings, nine thickener tanks, six office buildings, and one 15-acre brine evaporation pond. The mill operated from 1951 to 1986 under a series of licenses issued by the U.S. government.

Reclamation was initiated in 1998 and involves demolition of the mill buildings and associated structures (Phase I), tailings reclamation (Phase II), and groundwater restoration (Phase II). These activities are being conducted pursuant to amendments to Source Material License No. SUA-1471 and a series of mill decommissioning, tailings reclamation, and groundwater corrective action plans approved by NRC. These regulatory authorizations are further described in the regulatory authorization matrix of this claim package.

Phase I was initiated in 1989 and is being conducted in accordance with the site's Mill Decommissioning Plan. It is approximately 70% complete. Major accomplishments include the preparation and approval of the Mill Decommissioning Plan (1989–1999); removal and disposal of 100 cubic yards of asbestos from all buildings and structures (1995–1999); and demolition of the primary and secondary mill buildings (1990–1992), four ore storage pads and two office buildings (1993), five thickener tanks (1994–1995), and four maintenance buildings (1995). Roughly 6,000 cubic yards of demolition debris will be generated, most of which will be disposed of in tailings pile 1. Remaining work is scheduled to be completed by 1997.

Phase II was initiated in 1989 and is being conducted pursuant to the site's Tailings Reclamation Plan. Primary activities include the consolidation of windblown contaminated material with tailings piles 1 and 2, and the placement of an earthen cover over tailings piles 1 and 2. The cover will consist of a 2-foot thick clay radon barrier, 8-foot thick bedding layer; and external riprap layer. Phase II is approximately 25% complete. Completed milestones include the preparation and approval of the Tailings Reclamation Plan (1989–1991), remediation of windblown contaminated materials (1991), dewatering and recontouring of the tailings piles (1991–1993), and the placement of a 2-foot thick clay barrier (1993–1995). Outstanding activities are expected to be completed by 1999. Borrow material for the clay and soil barriers are being supplied by onsite deposits. Riprap will be purchased and imported from a nearby commercial quarry.

Phase III was initiated in 2003 and is being performed in accordance with the site's Groundwater Corrective Action Plan. The plan requires the prevention of groundwater contamination from the

site and the removal and collection of contaminated ground water. Phase III is roughly 10% complete. Significant accomplishments include the completion of a hydrogeological assessment and approval of the Groundwater Corrective Action Plan (1993–1995), the installation of 24 groundwater monitoring, collection, or injection wells (1993–1995), and the construction of a groundwater evaporation pond and sprayer system (1994). Additional collection and injection wells may be required. Depending on system performance, Phase III will be finished by 2002.

Since 1988, all activities conducted at the site have been dedicated to remedial action. ABC maintains an average onsite staff of 35 full-time employees to carry out remedial activities. This includes one site manager, three health physicists, four environmental scientists or technicians, one quality control specialist, two mechanics, one accountant, two administrative assistants, 10 equipment operators, six truck drivers, and five general laborers. In addition, technical support is provided on an as needed basis from ABC's corporate office in Phoenix, Arizona. Contractor support has been limited to mill decommissioning, ground water sample analyses, and well installation activities. Major equipment owned by ABC and used in remedial action includes four scrapers, six dump trucks, five dozers, one track hoe, and five utility vehicles. Remedial activities are being conducted year-round, 5 days a week, during normal business hours.

Section 2: Narrative Description of ABC Remediation Activities for 2000¹

Groundwater: Groundwater is being restored in two aquifers underlying the site in accordance with license conditions and the site's NRC-approved Groundwater Corrective Action Plan. Activities include the operation and maintenance of a groundwater restoration system consisting of four collection wells, three injection wells, and 17 monitoring wells. Major activities conducted in 2000 included the quarterly sampling of all wells, preparation and submission of an annual monitoring report to the NRC, installation of one injection well and three monitoring wells, monthly replacement of water filters on the injection system, replacement of packers on five wells, and the addition of chemical inhibitors in the collection system to reduce scale. Laboratory costs for analyzing groundwater samples are included in the "Analysis" cost category of this claim. Well installation and packer replacement were performed by the XYZ Drilling Company. All other activities were conducted by ABC employees. Electricity was prorated from site electric utility invoices on a horsepower consumed basis. The groundwater system consumed electrical horsepower for the collection wells, freshwater injection and the evaporation of water. (Authorization Ref. 1, 7, 13, 19, 22, 25, 26, 28, 30, 31, 32, 33)

Mill Decommissioning: This activity is being conducted pursuant to ABC's license conditions and NRC-approved Mill Decommissioning Plan. It includes the dismantling of buildings and foundation structures; cutting, crushing, and flattening of pipes, tanks, and similar structures for ease of handling; transporting and layering of debris in tailings pile 1; cleanup of contaminated soil; and recontouring and revegetation of disturbed areas. Activities completed in 1995 included the dismantling of two thickener tanks and four maintenance buildings. Most of the debris, totaling approximately 900 cubic yards, were disposed of in tailings pile 1. Several fuel tanks were decontaminated and salvaged. The costs of decontaminating the tanks, however, were correctly excluded from the reimbursement claim. All decommissioning work was performed by D&D contractors using the contractor's own equipment, under ABC oversight. (Authorization Ref. 1, 7, 13, 19, 32, 33)

¹ For illustrative purposes, includes description of Groundwater and Mill Decommissioning activities only.

Attachment A-4

Sample Regulatory Authorization Matrix

Ref.	Source of Regulatory Authorization	Applicable Cost Centers
1	Source Material License No. SUA-1471, Amendment No. 1-16, Condition 10: Authorizes the licensee to possess only residual uranium byproduct material in the form of uranium waste tailings and other byproduct waste generated by the licensee's past milling operations, as noted in Tables 1 and 3 and the procedures submitted by letter dated September 2, 1993.	Occupational Radiation Control, Environmental Radiation Control, Analytical
7	Condition 16: Requires the licensee to prepare and record an environmental evaluation of any activity not previously assessed by NRC. When the evaluation indicates that the activity may result in a significant adverse environmental impact that was not previously assessed or that is greater than that previously assessed, the licensee must provide a written evaluation of the activities and obtain prior approval from NRC in the form of a license amendment.	Groundwater, Occupational Radiation Control, Environmental Radiation Control, Tailings Management, General Mill Remediation, Evaporation Pond Operation, Tailings Facility, Mill Decommissioning, Analytical, Hazardous Waste Management
13	Condition 22: Requires the licensee to document (and maintain for at least 5 years) the results of sampling, analyses, surveys, and monitoring; the results of calibration of equipment, and reports on audits and inspections; all meetings and training courses required by this license and any subsequent reviews, investigations, and corrective actions, unless otherwise specified by NRC.	Groundwater, Occupational Radiation Control, Environmental Radiation Control, Tailings Management, Evaporation Pond Operation, Tailings Facility, Mill Decommissioning, Analytical, Hazardous Waste Management
19	Condition 28: Requires the licensee to maintain an NRC-approved financial surety arrangement consistent with revised 10 CFR 40, Criteria 9 and 10, adequate to cover estimated costs, if accomplished by a third party, for decommissioning and decontamination of the mill and mill site, reclamation of tailings or waste disposal areas, groundwater restoration, and the long-term surveillance fee. Within 3 months of NRC approval of a revised reclamation plan, the licensee must submit for NRC approval a proposed revision to the financial surety arrangement if estimated costs for the newly approved plan exceed the amount covered in the existing financial surety. The revised surety arrangement shall then be in effect within 3 months of written NRC approval.	Groundwater, Tailings Management, General Mill Remediation, Evaporation Pond Operation, Tailings Facility, Mill Decommissioning
22	Condition 31: Allows the licensee to conduct and operate a lined brine evaporation pond in accordance with plans, conditions, revision, and commitments made in conjunction with Groundwater Discharge Plan DP-339. Plans, conditions, revisions, and commitments are contained in submittals and correspondence from ABC Corp. dated March 1, 1983, and February 16, 1988, and include a commitment by letter dated February 5, 1988, to reclaim the pond area in accordance with appropriate reclamation standards after the cessation of operations.	Groundwater, Evaporation Pond Operation, Analytical
25	Condition 35: Requires the licensee to implement a compliance monitoring program to the specifications contained in transmittals by the licensee dated October 3, 1992, and June 15, 1993. Includes requirement to submit annual groundwater monitoring reports.	Groundwater, Environmental Radiation Control, Evaporation Pond Operation, Analytical

Sample Regulatory Authorization Matrix (continued)

Ref.	Source of Regulatory Authorization	Applicable Cost Centers
26	Condition 36: Requires that the licensee complete site reclamation in accordance with an approved reclamation plan and conducts the groundwater corrective action plan in accordance with Condition 35 (above). Includes specifications regarding schedules for completion of various phases of reclamation.	Groundwater, Environmental Radiation Control, Tailings Management, General Mill Remediation, Evaporation Pond Operation, Tailings Facility, Analytical, Hazardous Waste Management
28	Discharge Plan (200) for groundwater cleanup program	Groundwater, General Mill Remediation, Analytical
30	1993 Agreement and Stipulation between the U.S. Environmental Protection Agency and ABC Corp.	Evaporation Pond Operation, General Mill Remediation, Analytical
31	1989 Groundwater Corrective Action Program	Groundwater, Analytical
32	Reclamation Plan SUA-1471 Docket No. 40-8903	Groundwater, Occupational Radiation Control, Environmental Radiation Control, Tailings Management, General Mill Remediation, Evaporation Pond Operation, Tailings Facility, Mill Decommissioning, Analytical, Hazardous Waste Management
33	Reclamation Plan Revision 10/93	Groundwater, Occupational Radiation Control, Environmental Radiation Control, Tailings Management, General Mill Remediation, Evaporation Pond Operation, Tailings Facility, Mill Decommissioning, Analytical, Hazardous Waste Management

Attachment A-5

Sample Licensee Statement of Certification

LICENSEE STATEMENT OF CERTIFICATION

The information included in this cost reimbursement claim—submitted to DOE on June 8, 2014—is, to the best of my knowledge, accurate and complete. Costs claimed are supported by reasonable documentation. The summary documentation included in the claim package provides the best available information in support of the Cost Summary Document. In addition, the costs claimed include only those costs that were incurred to perform activities required under the NRC-approved reclamation plan.

William H. Roberts

William H. Roberts
President, ACME Corporation

Appendix B

Application of Federal Reimbursement Ratios

This appendix serves as a source of reference for determining the federal-related portion of total reimbursable costs of remedial action. The chart below depicts the federal-related tailings and total tailings determined by DOE, and the resulting federal reimbursement ratio for each licensee and site. This appendix also includes sample federal reimbursement ratio calculations and federal-related cost calculations.

Licensee, Active Uranium or Thorium Site	Federal-Related Tailings (millions of dry short tons)	Total Tailings (millions of dry short tons)	Federal Reimbursement Ratio
American Nuclear Corporation/State of Wyoming Gas Hills Mill Site	2.202	6.0	0.367
Atlantic Richfield Company Bluewater Mill Site	8.837	23.9	0.370
Atlas/Moab Mill Reclamation Trust Moab Mill Site	5.946	10.6	0.561
Cotter Corporation Canon City Mill Site	0.315	2.2	0.143
Dawn Mining Company Ford Mill Site	1.171	3.1	0.378
Homestake Mining Company Grants Mill Site	11.411	22.3	0.512
Pathfinder Mines Corporation Lucky Mc Mill Site	2.842	11.7	0.243
Petrotomics Company Shirley Basin Mill Site	0.725	6.3	0.115
Rio Algom Mining LLC Ambrosia Lake Mill Site	10.017	33.2	0.302
Tennessee Valley Authority Edgemont Mill Site	1.625	2	0.813
Umetco Mineral Corporation Uravan Mill Site	5.701	10.5	0.543
Umetco Mineral Corporation East Gas Hills Mill Site	2.103	8	0.263
Western Nuclear, Incorporated Split Rock Mill Site	3.626	8.2	0.442
West Chicago Environmental Response Trust West Chicago Mill Site	0.032	0.058	0.552

Appendix C

Example of Estimate of Licensee's Future Claims

For future planning and appropriation requests, licensees are periodically requested to provide DOE with an estimate of their future annual claims. The example below is a sample of the spreadsheet developed by DOE; licensees provide their estimates in the shaded areas.

Statement of Licensee's Remaining Authority for Future Title X Claims Based on Approved Plan for Subsequent Remedial Action Approved in 2007 and Total of Claims Approved Through FY 2013		
Licensee: Pathfinder		
Federal Reimbursement Ratio = 0.243		
Line		
1	Federal Share of Total Costs in Approved PFSRA	\$11,037,356.70
2	Federal Share of Maximum Future Claims (2012 Dollars)	\$278,298.06 (Remaining Claim Eligibility Sheet)
3	Maximum Total of Future Claims (2012 Dollars)	\$1,145,259.51
Line 3 is Line 2 divided by the Federal Reimbursement Ratio: 0.243		
Licensee's Estimated Schedule for Future Claims		
Estimated Future Claims (2012 Dollars)	Total	Federal Share
Claim Year 2013	\$0.00	\$0.00
2014	\$0.00	\$0.00
2015	\$0.00	\$0.00
2016	\$0.00	\$0.00
2017	\$0.00	\$0.00
2018	\$0.00	\$0.00
2019	\$0.00	\$0.00
2020	\$0.00	\$0.00
Total of estimate future claims >	\$0.00	\$0.00
Planned Year for License Termination	_____	

Appendix D

Sources for Further Reference

This appendix provides licensees with information on other available reference materials relating to the Title X cost reimbursement process. These reference materials contain information useful to licensee managers in ensuring that their documentation and recordkeeping systems provide for accurate and complete recording and reporting of costs of remedial activities. Some of the materials do not specifically provide licensee guidance but contain valuable background information. Items A and B are readily available through commercial retailers. The items below are available on the internet. Each document is listed below with a brief synopsis.

Generally Accepted Accounting Principles (GAAP)

GAAP is a statement of the accounting principles established by an authoritative body. The FASB establishes accounting principles for nongovernment entities. Financial statement audits must provide reasonable assurance about whether the financial statements of an audited entity present fairly the financial position, results of operations, and cash flows in accordance with GAAP.

Generally Accepted Government Auditing Standards (GAGAS)

The GAGAS is a statement of standards for audits of government organizations, programs, activities, and functions and of government funds received by contractors, nonprofit organizations, and other nongovernmental organizations. These standards are to be followed by auditors and audit organizations when required by law regulation, agreement, contract, or policy. The standards pertain to auditors' professional qualifications, the quality of audit efforts, and the characteristics of professional and meaningful audit reports.

GAGAS will be followed in conducting audits under the Title X program, due to the federal source of funding.

Uranium Mill Tailings Radiation Control Act Of 1978 (UMTRCA)

UMTRCA was passed in November of 1978 to provide DOE with the authority to undertake remedial action at "inactive" sites and at vicinity properties contaminated with residual radioactive material generated at a site. UMTRCA also established a program authorizing NRC to regulate byproduct material generated during processing operations at "active" processing sites (i.e., sites with active licenses under the AEA on or after January 1, 1978) to ensure sound management of tailings throughout the production, reclamation, and disposal phases.

Title X of the Energy Policy Act of 1992 (Title X)

Title X under the Energy Policy Act establishes the authority and framework for providing Federal assistance to active licensees to address the cost of remediating mill tailings that were generated under contracts with the U.S. government.

AEA OF 1954, Section 2022(D)

This section of the AEA (as authorized under Title II of UMTRCA) provides NRC with the authority to approve a plan for conducting remedial activities at an “active” mill tailings site, as developed by the site licensee.

AEA Of 1954, Section 274

This section of the AEA provides for NRC to enter into an agreement with a State for discontinuance of NRC’s regulatory authority over materials licensees within the State, when the State shows its regulatory program is compatible to NRC’s. The Agreement State will then have the authority to approve a reclamation plan for an “active” mill tailings site, as developed by the site licensee.

Revised 10 CFR 765, Reimbursement for Costs of Remedial Action at Active Uranium and Thorium Processing Sites

This part of revised 10 CFR 765 establishes regulatory requirements governing reimbursement for certain costs of remedial action at active uranium or thorium processing sites as specified by Subtitle A of Title X of the Energy Policy Act of 1992. Additional discussion on these requirements is included in the May 23, 1994, *Federal Register* (59 FR 26714) and the June 3, 2003, *Federal Register* (68 FR 32957).

Appendix E

Glossary of Terms

This appendix provides a glossary of terms pertaining to remedial activities. These terms are used throughout this guidance document, as defined below.

Agreement State. An Agreement State is any state that is or has been a party to a discontinuance agreement with NRC under Section 274 of the Atomic Energy Act of 1954.

Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (CERCLA). The U.S. federal law designed to clean up sites contaminated with hazardous substances, as well as “pollutants or contaminants”; this is also known as Superfund.

costs of remedial action. This phrase is used to denote costs incurred by the licensee to perform decontamination, decommissioning, reclamation, and other remedial action at active uranium or thorium processing sites.

direct costs. Direct costs are those expenses that are incurred solely to support, or that can be directly attributed to and therefore charged to, remediation projects, activities, or cost centers.

dry short ton. A short ton is equal to 2000 pounds. A dry short ton has the same mass value, but the material (sludge, slurries, compost, and similar mixtures in which solid material is soaked with or suspended in water) has been dried to a relatively low, consistent moisture level (dry weight).

federal reimbursement ratio. The federal reimbursement ratio is the ratio of federal-related tailings (i.e., tailings generated as an incident of uranium or thorium sales to the United States) to total tailings present at an active uranium or thorium processing site on October 24, 1992, or by other means of attributing costs of remediation to byproduct material generated as an incident of sales to the United States that DOE determines is equal to or better than the tonnage-based ratio.

financial management systems. Financial management systems consist of the policies, procedures, and processes used to ensure sound financial management and accounting practices and results.

Generally Accepted Accounting Principles (GAAP). Standards that encompass the details, complexities, and legalities of business and corporate accounting.

Generally Accepted Government Auditing Standards (GAGAS). Guidelines for audits that are created by the Comptroller General and the audit agency of Congress, the Government Accountability Office.

guidance document. The term “guidance document” is used to refer to this document, *Guidance for Preparation of Reimbursement Claims under Title X of the Energy Policy Act*.

indirect costs. Indirect costs are those expenses that support remediation activities but are not directly assignable to remediation efforts’ end products or processes, or that represent costs of

outside operations not directly related to or attributable to remediation efforts, and therefore cannot be directly charged to remediation projects, activities, or cost centers.

licensees. The term “licensees” is used to denote site owners licensed under Section 62 or Section 81 of the Atomic Energy Act of 1954 by NRC or an Agreement State, pursuant to a discontinuance agreement with NRC, for any activity at an active uranium or thorium processing site that results, or has resulted, in the production of byproduct material.

nonreimbursable costs. Nonreimbursable costs are those costs that are not incurred to perform activities in an NRC- or Agreement State-approved reclamation plan or other written authorization, regardless of whether or not the costs are legitimate costs of business.

other direct costs. Other direct costs are defined in this guidance document as those costs that constitute direct costs, but do not fall under any of the other cost categories identified. The licensee is not required to use the exact cost categories suggested in this document. Therefore, the other direct cost category may be used by the licensee to gather any costs which do not fall under any of the direct cost categories included in the licensee’s reimbursement claim package.

plan for subsequent remedial action (PFSRA). Licensees who anticipated incurring costs after December 31, 2007, were required to submit a PFSRA by December 31, 2006, for those anticipated costs.

reasonable documentation. Revised 10 CFR 765 states that claims for reimbursement must be supported by “reasonable” documentation. Reasonable documentation is defined as documentation that is consistent with the guidance provided throughout this document.

reclamation plan. A reclamation plan is a plan approved by NRC an Agreement State, or both for conducting remedial activities at an active uranium or thorium processing site necessary to comply with UMTRCA, Agreement State requirements, or both.

reimbursable costs. Reimbursable costs are those costs which are incurred to perform activities in an NRC-approved or Agreement State-approved reclamation plan or other written authorization.

remediation projects, activities, or cost centers. The phrase remediation projects, activities, or cost centers denotes the accounting cost centers or pools to which remediation costs are charged. These are unique to each of the licensee’s financial management and accounting systems.

Statement of Account (SOA). Statements of Account are statements that track the payments to the licensees on the basis of their remaining ceiling. The purpose of the SOA is to provide licensees with the official status of their reimbursement accounts. The SOA informs the licensees which costs have been allowed or disallowed, their remaining ceiling, and the remaining balances through the last payment.

Title X. Title 10 *Code of Federal Regulations* Part 765 (10 CFR 765), “Reimbursement of Costs of Remedial Action at Active Uranium and Thorium Processing Sites; Final Rule.”