

# 2023 Southwestern Cost Apportionment Standard Operating Guide

## Purpose

Cost apportionment is a cost share agreement methodology that equitably measures the level of efforts to meet multiple incident objectives. Cost share agreements are mandatory when more than one jurisdiction is affected or threatened by the location of the fire.

## Cost Apportionment Team composition

Cost Apportionment Teams consist of a minimum of 1 state and 1 federal personnel from the affected agencies, 1 data entry person if needed, and 1 trainee per agency if possible. The SW IBC will solicit for incident finance personnel who would be interested in learning and performing this function, so that we may provide training and have a list to draw from.

## Process

Direct resources (that spit water or push dirt) are identified from the corrected Incident Action Plan after the resources have been verified that they worked those divisions on that date. Agency Administrators, the CAT, and Operations and Air Ops personnel meet daily. Operations and Air Ops explain the work each division performed and what their mission was. Agency administrators agree on level of effort percentages for each division and sign the Cost Apportionment Summary by Day of these decisions. CAT members capture the conversations, compare notes, apply the cost apportionment methodology process, and the Cost Apportionment Summary by Day for the AAs to sign.

The level of effort percentages are applied to the actual cost of aviation resources that dropped retardant or water loads that day. Pre-established standard resource values are applied for ground resources. The cost apportionment values provide equity for same ground resource types and avoid fluctuating cost estimates.

Cost apportionment should be applied from the first day of the fire until the last day the incident is managed, because agencies will be applying the resulting overall cost share agreement percentages to their actual costs incurred for the duration of the incident. **Agencies can't breakout the amounts they paid for incident expenses by date, which is why the cost apportionment process needs to cover the whole timeframe of the fire.**

When the incident is no longer being managed for the objectives of multiple agencies, 100% level of effort to the responsible agency is typically applied for the remaining direct resources until their last day. This part of the process may be facilitated remotely by each agency's incident business personnel.

The aviation cost share agreement percentages are applied to aircraft and retardant actual expenses incurred. The ground cost share agreement percentages are applied to all other actual expenses incurred (ground, support, overhead, etc.).

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### Settlement

When the agencies agree that the cost apportionment process isn't feasible for the entirety of the fire suppression or fire suppression repair efforts, then costs incurred outside of the Cost Apportionment period should be excluded from the cost share settlement. Costs for cache personnel and casual hire warehouse workers and drivers may occur outside of the cost apportionment timeframe, but should be included in the cost share settlement due to the extended nature of the support they provide. Fleet & Travel costs based on Personnel deduction percentage.