



EXECUTIVE OFFICE OF THE PRESIDENT  
OFFICE OF MANAGEMENT AND BUDGET  
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THE CONTROLLER

January 13, 2011

M-11-09 (REVISED)

MEMORANDUM FOR THE HEADS OF EXECUTIVE DEPARTMENTS AND AGENCIES

FROM: Danny Werfel  
Controller

SUBJECT: **Supplemental Guidance on Reporting Costs of Government Activities  
Related to the BP Deepwater Horizon Oil Spill**

DUE DATE: Twenty-five (25) days after the close of each quarter

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This memorandum is issued as follow-up to M-10-29, Identifying and Documenting Costs of Government Activities Related to the BP Deepwater Horizon Oil Spill ([http://www.whitehouse.gov/sites/default/files/omb/assets/memoranda\\_2010/m10-29.pdf](http://www.whitehouse.gov/sites/default/files/omb/assets/memoranda_2010/m10-29.pdf)), and Management Procedures Memorandum No. 2010-35 (MPM-10-35), Reporting Costs of Government Activities Related to the BP Deepwater Horizon Oil Spill ([http://www.whitehouse.gov/sites/default/files/omb/financial/memos/OilSpillMPM\\_2010\\_10\\_5.pdf](http://www.whitehouse.gov/sites/default/files/omb/financial/memos/OilSpillMPM_2010_10_5.pdf)).

M-10-29, published after consultation with the Department of Justice (DOJ), the U.S. Coast Guard (USCG), and other relevant agencies, directed agencies to collect and document costs of Government activities related to the BP Deepwater Horizon Oil Spill (Oil Spill). MPM-10-35 was issued as a follow-up memorandum to obtain the information that agencies collected pursuant to M-10-29. This information will be used in support of the efforts of the United States to recover Oil Spill costs. The first quarterly reports were due to OMB on November 5, 2010. The next quarterly report is due on January 25, 2011.

M-11-09 is a follow-up to M-10-29, and MPM-10-35, and is intended to supplement the cost reporting guidelines provided in that memorandum.

**Supplemental Guidance:**

This supplemental guidance requests some additional information, explained below, for future quarterly cost reports. This additional information is requested to assist in analyzing and categorizing agency costs associated with the Oil Spill. This guidance, like M-10-29 and MPM-10-35, does **not** seek information about costs that are the subject of a Pollution Removal Funding Authorization (PRFA) or Military Interdepartmental Purchase Request (MIPR) approved by the Federal On-Scene Coordinator.

**Instructions:**

**Contracts:** Costs identified as “contracts” should specify whether such costs were paid under a new or amended contract or a new task order negotiated or issued in response to the Oil Spill or under an existing contract or task order. Agencies should provide identifying information for all such work, including date of issuance or modification; any associated costs; contract, modification, purchase order or other identifying number; and brief description of the work to be performed. For those costs paid under an existing contract, please identify only those costs that were incurred as a result of the Oil Spill.

**Labor-related expenses:** Agencies should **not** group labor-related costs together. Costs that are described as such – for example, “overtime, travel, compensation/benefits” – should instead be broken down to “overtime,” “travel,” “compensation/benefits,” etc. Agencies should also specify whether labor-related cost items were associated with existing staff, new hires, or contract personnel. If contract personnel costs are included in labor-related expenses, they should not be duplicated in contract costs as described above. Information and documentation on how such costs were necessitated by the Oil Spill and/or went beyond normal office functions is requested. Also requested is information and documentation on any other federal obligations that were impacted due to the agency’s response to the Oil Spill.

**Assessment costs for damage claims:** Agencies that conducted assessments for damage claims under Natural Resource Damage Assessment (NRDA) that were not reimbursed by the Oil Spill Liability Trust Fund should include and describe those assessment costs as separate items. If such costs were denied reimbursement from the Oil Spill Liability Trust Fund this should be noted.

**Single-agency contact:** For each agency or component reporting costs, a contact should be provided who can speak to the activities for which the costs were incurred.

**Identification of costs undertaken to remove or contain oil or to prevent, minimize, or mitigate oil pollution:** Costs that were undertaken to remove or contain oil or to prevent, minimize, or mitigate oil pollution (or for a substantially similar purpose) but which are not the subject of an approved PRFA or MIPR should be identified as having been undertaken for this purpose. In addition, any costs for which reimbursement under a Pollution Removal Funding Authorization (PRFA) is pending **should not** be included. Claims for costs incurred by an Agency in anticipation of a PRFA but later denied **should** be included.

In addition to these supplementary guidelines, agencies should continue to follow the guidance on the identification and documentation of costs outlined in M-10-29. Agencies should also continue to preserve any documentation supporting the costs until instructed otherwise and to ensure that institutional knowledge regarding the costs is passed down in the event someone with knowledge leaves their position or the agency.