DISASTER CERTIFICATION POLICY GUIDELINES

The Disaster Policy should address several areas specifically. In addition we will be looking for additional uniquely specific items applicable to your organization. You should briefly describe your areas of responsibility. The applications will be reviewed by several different people whose areas of responsibility may be substantially different than yours.

It is not necessary to address areas that are covered by other governmental procedures such as building evacuation, volunteer call up, first aid, toxic spill containment and other similar events. This policy should be directed at overcoming the effects of a disaster on your finance office and the steps and procedures you have taken to lessen the impact of a disaster.

This policy should be built addressing areas of finance and other "similar" areas of your responsibilities.

POLICY CRITERIA

THE PURPOSE OF THE POLICY: Cleary state the purpose of the policy. What do you hope to accomplish with this policy? Recognize the limitations that you are up against.

Sample Language: *This disaster minimization policy is designed to lessen the impact of a disaster upon the financial, investment, utility, income tax, and payroll/personnel operations for the (name of entity). This policy is not intended to prevent disasters from taking place, but is solely focused on managing the financial operations after a disaster.*

SCOPE: Clearly describe the area of operations the policy covers. This must include all areas of your financial responsibility. The scope should be detailed enough so that the reviewers know your areas of responsibility and not wonder why you didn't address payroll for instance. If your office only deals with the investment of funds for your entity, that information needs to be clearly spelled out.

Sample language: *This policy addresses the financial, investment, utility, income tax, and payroll/personnel operations for the (name of entity). The scope of this policy is to be able to relocate the financial operations to a new site. To be able to secure computer equipment, have adequate supplies of material and instructions on hand. To have properly trained personnel available to continue with the normal operations of the office.*

PRIORITIZATION: Your policy should clearly spell out which areas of your responsibility are the most important and least important during the initial periods of a disaster. Again, remember that the reviewers are not familiar with your operation so it is imperative that you clearly describe your areas of responsibility.

PRIORITIZATION (Continued)

Sample language: *Our first priority would be the re-establishing the payroll/personnel areas. This would be followed closely by the financial area. Securing utility and income tax payments made by citizens would also be a high priority. However, the rebuilding of the computer records for these two areas would be low on the priority list. Investment functions would be very limited during a time of emergency.*

NATURE OF DISASTERS: This section will require you to look at the various types of events that could affect you. I will not be possible to list every possibility and we are not looking for that. We are instead looking for you to describe and address the most likely events that your office is subject too. Fire is one that almost everyone should address. Natural events such as floods, tornadoes, hurricanes, and earthquakes should be addressed if they are possible in your area. Other events such as vehicle accidents, train wrecks, airplane accidents, are other events that may or may not be a possibility in your area.

You should also address the length of time issue that a disaster might cause. For example, a truck hauling a dangerous chemical that wrecks in front of your city building, which causes a building evacuation for 15 hours, would require a different solution than a fire that burns your building and all of your computer equipment to the ground.

The applicable areas should be addressed and a brief description of the likelihood of the event should be assigned. Since fire is a threat to almost everyone we would expect that it would be included in everyone's listing. The descriptions however, could very. For example, "Our finance office is located in our city hall. The building was constructed in 1875 of timber frame and brick construction. It's electrical system is heavily burdened. The current heating system was installed in 1938 and several offices use small electric heaters. We feel that the likelihood of fire is very high." On the other hand you could have this, "The finance office is located in the city building. The building was built in 2001 of steel, glass and concrete construction. It houses all city functions including police, fire and administrative offices. The building is occupied twenty-four hours a day seven days a week. The building has fire, smoke, and water detectors along with a closed circuit television monitoring system. While fire is a possibility, we feel that it would be a small possibility and would be contained in a relatively small area."

This is the type of narrative that should be given for at least the top five areas. The narrative should convey to the reviewers the conditions of your situation and why you think that you do or do not have a potential problem. You should remember that the reviewers may not be familiar with your city and we might wonder why you did not address flooding when you are located on the banks of the Mississippi River. The answer might be as simple as we are located on a bluff overlooking the Mississippi River and while portions of the city are subject to flooding, city hall sits 150' above the river.

NATURE OF DISASTERS: (Continued)

Sample language: *We have reviewed our situation and have determined that we are subject to the following disaster situations: Fire, tornado or thunderstorm, vehicular accident, toxic spill evacuation, small aircraft accident, train derailment and terrorists.*

Fire: Our city building was constructed in the late 20's. It is of a frame construction with brick veneer. The wiring in the building was not installed with modern electric usage in mind. The heating system is an older system and most offices use small electric space heaters, on a sparing basis, to supplement the heating system.

Tornado or thunderstorm: Our major natural event would have to be a tornado or thunderstorm damage. There have been fires triggered from thunderstorms in the area and there have been a history of tornado activity in the surrounding area.

Toxic spill: We have an anhydrous ammonia storage facility located 1 mile southwest of our city building. We also have farmers transferring anhydrous ammonia tanks through town. The prevailing winds are from the southwest and a spill at the plant could cause an evacuation of our building.

Small aircraft accident: We have a small airport located approximately six miles east of town. There is a possibility of an accident although we feel this is unlikely.

Train derailment: We have a railroad located within 150' of the city building. This railroad occasionally carries toxic chemicals. The railroad operates very slowly and a derailment although possible would probably cause minor damage.

Terrorist activity: We would believe that our setting would not be a worthy target although the possibility exists.

LOSS OF BUILDING:

We cannot image a situation where the loss of your building is not a possibility. If your policy does not address the relocation procedures, alternate site selection process, and securing an alternate site it will be declined certification.

Securing a site on a permanent basis is not the objective here. What we are looking for is an answer to this situation: Your finance office was destroyed in a fire. Where do you go on a temporary basis, to gather your staff together, to assess your losses, and then begin your normal finance operations?

LOSS OF BUILDING: (Continued)

Sample language: *We have four alternate sites secured in the event that our building is not usable. All of the sites are secured with reciprocal agreements between the (name of entity) and the other site owners.*

Site "A" is the township office building. This building is located directly across the street from the city building. We recognize that in the event of a tornado this site might also be uninhabitable.   The close proximity to the city building makes it very useful for our citizens.

Site "B" is the Old Train Depot Building located ½ mile northwest of the city building.

Site "C" is the basement of Community First Bank & Trust located 1 mile east of the city building.

COMPUTER SYSTEM BACKUP:

The policy must address your normal backup procedures. Describe the backup tape rotation procedures used. Also explain the steps you have taken to verify that the backup tapes are in fact backing up your data and your program files. Describe any additional steps you take to safeguard the integrity of your computer system that insures a smooth transition to a new system.

Sample language: *Our computer automatically backs up the system every night at 10:00 PM. The previous day's tape (the most recent copy) is removed daily from the city building, then returned the following day and put into a six day rotation sequence. The most information we would loose would be one day's work. Because of the pattern of our work flow, we believe that the loss of one day's computer entry would not have a large negative impact on our operations. We have the source code files stored off site in a secure area and our software vendor also has a copy of our source code files. Our individual PC's are backed up on a separate basis and again because of the various job flows, are backed up on an "as needed" basis.*

COMPUTER SYSTEM REPLACEMENT:

This section should address the procedures you would utilize to replace your computer system should an event would visit your office. This policy should address those steps taken both on a temporary basis and a permanent solution to your loss. An example of this portion could be as follows: "We have a laptop computer stored off site. This laptop is compatible with our finance server. The backup media utilized by the finance server can be loaded on the laptop, and it has been tested to insure that the data transfer is successful. A copy of the program source files are stored on the laptop for the Budgetary, Utility, Payroll, and Income Tax Functions.

COMPUTER SYSTEM REPLACEMENT: (Continued)

A priority system has been drawn up establishing which department has priority for the use of the laptop. Some department personnel will report to work at non-regular hours so that a bottleneck at the laptop will be minimized. We have also secured a letter (see attachment) from our software vendor guaranteeing that a new server can by on site and operation in a period of no longer than 5 days. This letter also addresses our vendor's commitment to us, to assist us by every means possible to have our computer system restored as quickly as possible.

Sample language: *We have had discussions with our software vendor and attach a letter verifying these discussions concerning re-establishing our computer systems. Our vendor has told us, that once they are notified of an event, it would be possible for them to at least set a temporary computer up at an alternate site within two days time. This computer would be capable of allowing three users on the machine at a time. Since the time frame is relatively short, we feel that we would be able to operate satisfactorily until the computer could be installed.*

MOBILE FINANCE OFFICE (MFO):

We believe that a Mobile Finance Office (MFO) is an integral part of a disaster recovery plan. Your policy should clearly outline your MFO's contents and the procedures you use to keep the MFO updated. You should also describe the safekeeping procedures to minimize a same event loss of your office and the MFO along with those procedures to safeguard the contents of the MFO.

Sample language: *We have developed and supplied an MFO as described in the Disaster Preparedness for Finance and Treasury manual from the Association of Public Treasurers of the United States and Canada. We have adequate supplies of blank check stock, deposit tickets, blank forms for income tax, utility, personnel and finance departments. We also have computer instructional sheets along with copies of computer printouts, which would be used to rebuild personnel, income tax records, finance, and utility files.*

We replace computer printouts at year end and finance printouts on a monthly basis. The MFO also contains computer backup tapes of PC's and the Laserfiche system.

The MFO is stored off site at the Finance Director's home or at the Utility Clerk's home. During the time of tornado activities, the clerk's home is the site. For the rest of the year the MFO is stored at the Finance Director's home.

PERSONNEL:

The loss of one or more of your personnel would probably be one of the most devastating losses your office could face. Replacing a computer or a building can be done with little emotional distress, but loosing one or more of your valued employees would not only cause a disruption of service but could cause serious psychological problems for your remaining staff.

Your policy needs to address the steps you have taken which will minimize the loss of one or more of your employees. You should outline the steps you have taken for cross training your staff, temporarily getting staff from other governmental entities, your software vendors support services you could receive, and programs to deal with your remaining staff's emotional problems.

Sample language: *In order to minimize the effects due to the loss of office staff, we have been actively engaged in a program of cross training our staff. This cross training is not designed to make experts out of each job operation, but it is intended to familiarize each employee with the general operations of the other positions. This general knowledge along with the computer instruction sheets should enable our staff to carry on with the mission.*

We also have reciprocal agreements with the City of (Name), and the City of (Name) (see attached letters) agreeing to supply personnel in the event of a disaster. All of these entities use the same software and therefore, a smooth transition should be possible.

DISASTER PREPAREDNESS TESTING:

We feel that once your preparations have been made, a testing of your plan is essential. We also feel that this testing should not be a one time event, but should be done on several different occasions. You should also have a review program which will identify areas that the test proved satisfactory as well as those areas which need further attention. You should explain to the reviewers what your testing policies are. How often they are conducted? Along with the review and modification procedures you have.

Sample language: *We have conducted testing of our procedures for payroll/personnel, and budgetary. We located some problem areas which were not completely addressed, so we are modifying our procedures to correct those areas. We will be testing the income tax, utility, and investment areas later. These three areas are not mission critical and we believe that the procedures we have in place are adequate for the time being.*

Once we have all areas tested and corrected we will test yearly one of the mission critical areas to insure that the policy and procedures are current.