

## MEMORANDUM

Date: 18 October 2005  
To: Underground Storage Tank Responsible Parties, Environmental Service Providers, Subcontractors, Vendors, and Others  
From: Grover Nicholson, Chief, NC UST Section  
Subject: Amendment to Proof of Payment of Costs Policy

Authority in the law and rules: North Carolina General Statute 143-215.94E(e2) requires the Department to demand of a responsible party "documentation sufficient to establish that a cost is eligible to be paid or reimbursed" before either fund can reimburse the cost. 15A NCAC 02P .0404(b) authorizes the Division of Waste Management to require a responsible party to "submit any information required for the purpose of substantiating any claim for reimbursement on forms provided by the Division." In addition, 15A NCAC 02P .0405 (b) mandates that reimbursement of cleanup costs shall be made "only after proof of payment for such costs has been received by the Division."

Intent of this policy amendment: This policy amendment will help ensure that the UST Section complies fully with applicable parts of the law and rules, will assist the UST Section in being a proper steward of trust fund monies, will interfere as little as possible in the acceptable and normal business practices between responsible parties, environmental service providers, subcontractors, and vendors, and will create as little impediment to the reimbursement process as practicable.

Existing policy: Proof of payment of costs may be documented by submitting an invoice from each subcontractor or vendor attached to (1) copies of the front and back of any cancelled checks paying the invoice in full or (2) a statement that the invoice has been paid in full signed by a representative of the vendor or subcontractor and properly notarized. In addition to these methods, the submittal of utility invoices that indicate the previous month's payment is also acceptable. Examples of acceptable forms of proof of payment of costs are attached.

Amendment to policy: Effective on the date of this memorandum, an additional method of proof of payment of costs will be accepted by the UST Section. An invoice may be submitted for reimbursement if (1) the vendor or subcontractor, environmental service provider, and responsible party attest to the statements on the Certification of Payment Form and (2) the responsible party or the environmental service provider furnishes a paid in full invoice to the UST Section within 30 days of payment of the claim. The Certification of Payment Form must be attached to and placed behind the invoice from the vendor or subcontractor when submitting a claim for reimbursement. If payments to vendors or subcontractors are not made in full within the time period specified on the Certification of Payment Form, or if paid in full invoices are not received by the UST Section within 30 days of payments of the claims, reimbursements are subject to cost recovery actions and the certifying parties may be subject to civil and/or criminal penalties.

Attachment