

**FISH AND WILDLIFE SERVICE
FINANCE**

Finance

Part 260 Financial Management

Chapter 6 Environmental and Disposal Liability (EDL) Reporting

260 FW 6

6.1 What is the purpose of this chapter? This chapter:

- A.** Establishes Service policy and guidance for reporting information on Environmental and Disposal Liability (EDL), and
- B.** Is crucial to ensuring we report accurate, timely, and consistent EDL information to the Department of the Interior (DOI).

6.2 What are Environmental and Disposal Liabilities (EDLs)? EDLs are the costs we anticipate spending for environmental cleanup on sites we manage. We determine if environmental cleanup is necessary by assessing the site.

6.3 What is the policy for reporting EDL information? We must:

- A.** Provide accurate and timely EDL information to the Department, and
- B.** Include all estimated future costs for cleanup resulting from past or current operations that have:
 - (1)** Environmental closure requirements (e.g., solid waste landfills; treatment, storage, or disposal facilities; and mine sites), or
 - (2)** A release of hazardous substances, pollutants, or contaminants for which we are responsible.

6.4 What are the authorities for the policy?

- A.** Government Management Reform Act of 1994 (Public Law 103-356).
- B.** Chief Financial Officers Act of 1990 (Public Law 101-576).
- C.** Office of Management and Budget (OMB) Circular A-136, Financial Reporting Requirements.
- D.** Statement of Federal Financial Accounting Standards Number 5; Accounting for Liabilities of the Federal Government, as amended; issued by the Federal Accounting Standards and Advisory Board (FASAB).
- E.** Statement of Federal Financial Accounting Standards Number 6; Accounting for Property, Plant, and Equipment, as amended; issued by FASAB.
- F.** Updating Schedule of Sites with Potential Environmental Liability Memorandum; February 27, 2004; Department of the Interior, Assistant Secretary – Policy, Management, and Budget (AS–PMB).
- G.** Environmental and Disposal Liabilities and Implementation of the Environmental Database System Memorandum; July 3, 2006; Department of the Interior, AS–PMB.

6.5 Who requires the Service to report on EDLs?

- A.** OMB requires the Department and other Federal agencies to:
 - (1)** Prepare annual audited financial statements in accordance with the Chief Financial Officers Act of 1990 and the Government Management Reform Act of 1994.
 - (2)** Submit quarterly, unaudited financial statements in accordance with OMB Circular A-136. Agencies must report information on contingent environmental liabilities in these financial statements.

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Supersedes Director's Order 176, 09/29/04

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B. To meet OMB's requirements, the Department's Office of Financial Management requires us to report contingent environmental liabilities on a quarterly basis.

6.6 Who is responsible for EDL reporting?

A. The **Assistant Director – Business Management and Operations** ensures EDL amounts are appropriately reported in the footnotes and statements on a quarterly basis.

B. The **Regional Directors** delegate authority to Regional Environmental Compliance Coordinators (RECCs), or other appropriate Regional personnel, to review and approve site-specific EDL information for their Region.

C. The Chief, Division of Engineering:

(1) Ensures that all Service employees who are responsible for reviewing the information for each site do so;

(2) Documents his/her review of site information in the Department's Office of Environmental Policy and Compliance (OEPC) Environmental Database (Environmental Database) and sends the information to OEPC and the Office of Financial Management. (See Figure 6-1 for a diagram of the EDL review and reporting process.)

(3) In some circumstances, manages site cleanup. For projects that the Division of Engineering manages, the Environmental Compliance Branch provides information to the Service EDL Coordinator.

D. The Chief, Branch of Accountability and Program Assistance, Division of Financial Management:

(1) Reviews accounting information received from the Service EDL Coordinator (see section 6.6E) and certifies that the data conform to applicable accounting standards;

(2) Develops footnote references and the journal entry for the Service's quarterly and annual financial reports to the Department;

(3) Responds to inquiries from Service employees about accounting issues that impact financial reporting; and

(4) Documents his/her review in the Environmental Database and sends the information to the Chief, Division of Engineering.

E. The Service EDL Coordinator, Environmental Compliance Branch, Division of Engineering:

(1) Performs the final technical review of all EDL projects we list in the Environmental Database,

(2) Documents his/her review in the Environmental Database, and

(3) Sends information to the Chief, Branch of Accountability and Program Assistance, for review and preparation of financial reporting information.

F. Regional Environmental Compliance Coordinators (RECC) or designated personnel:

(1) Review EDL information for sites in their Regions,

(2) Ensure that the appropriate cost estimate documentation is included in the site information,

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- (3) Verify that the review of projects by Office of the Solicitor (OS) has occurred,
- (4) Document their review in the Environmental Database, and
- (5) Notify the Service EDL Coordinator in writing when they complete the review.

G. Project Managers:

- (1) Identify sites for EDL reporting.
- (2) Prepare accurate cost estimates for projects.
- (3) Obtain review of projects from the OS. The OS advises and provides information verbally or in writing as appropriate to Project Managers about sites. If the OS is unable to access the Environmental Database, Project Managers will enter the legal information into the Database.
- (4) Enter site-specific information into the Environmental Database for new sites and update information for existing sites.
- (5) Send information to the RECC or other appropriate Regional personnel for review.

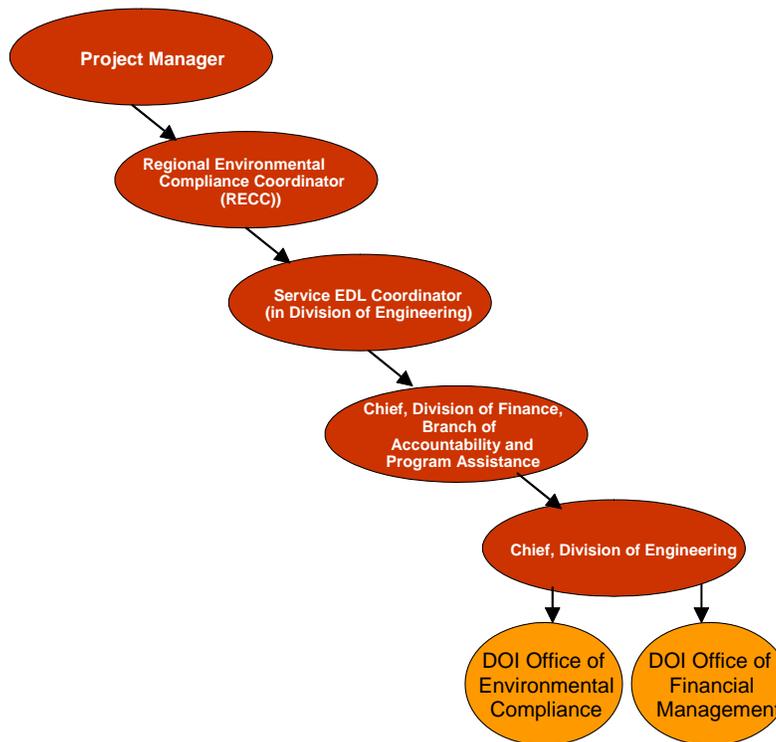


Figure 6-1: Flow Diagram of EDL Review and Reporting Process

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6.7 When are EDL updates due?

A. 1st, 2nd, and 3rd Quarters: The reports are due to the Department one week prior to the end of the first, second, and third quarters. We must ensure that we have updated and approved data for those quarters according to the following timeline:

(1) Project Managers add/update information in the Environmental Database and notify the RECC or other designated Regional personnel no later than 5 weeks before the end of each quarter.

(2) RECCs, or other designated Regional personnel, review and approve Regional EDL information and notify the Service EDL Coordinator no later than 4 weeks before the end of each quarter.

(3) The Service EDL Coordinator reviews Environmental Database information and notifies the Office of Financial Management no later than 3 weeks before the end of each quarter.

(4) The Chief, Division of Financial Management, reviews and approves Environmental Database information and notifies the Chief, Division of Engineering no later than 2 weeks before the end of each quarter.

(5) The Chief, Division of Engineering, reviews and approves Environmental Database information and sends it to the Department no later than 1 week before the end of each quarter.

B. 4th Quarter: Fourth quarter information is due to the Department 2 weeks prior to the end of the quarter. The process for updating, reviewing and approving fourth quarter information must begin 1 week earlier than described in section 6.7A.

6.8 What guidance should Project Managers follow to identify, record, and report EDLs? Project Managers should follow the guidance in Department's "Environmental and Disposal Liabilities Identification, Documentation, and Reporting Handbook," issued in March 2006. The handbook provides information on:

- A. Identifying EDLs,
- B. Liability status,
- C. EDL cost estimating, and
- D. EDL recording and reporting.


Acting DIRECTOR

Date: May 1, 2008