

**SPECIAL REPORTING INSTRUCTIONS FOR THIS QUARTER**

1. Data reported in the DCM is on a fiscal year to date basis; that is, from year end through the end of the current quarter.
2. For users who submitted data into the DCM during 4<sup>th</sup> quarter FY 2006, your beginning balances will be pre-populated in the DCM. All first time users will show a beginning balance of zero. If you have any discrepancies with your beginning balance, please contact FMO immediately.
3. Values entered should not be rounded. All amounts should be in dollars and cents.
4. Individuals submitting data via the DCM shall maintain supporting detailed files or records for audit trail purposes.

**GUIDELINES FOR REPORTING DERP AND BRAC**

Environmental Liabilities represent liabilities for estimated cleanup costs from Federal operations known to result in hazardous waste. Environmental restoration measurements involve the use of cost-to-complete estimates. Site inventory and estimated cost data prepared for the Defense Environmental Restoration Program Report to Congress should be used as a baseline. Report cleanup costs - costs of removing, containing, and/or disposing of (1) hazardous waste from property, or (2) material and/or property that consists of hazardous waste at a permanent or temporary closure or shutdown of associated PP&E. Note: the status of assets involved is irrelevant. That is, environmental liabilities associated with current assets as well as assets that have been disposed of should be reported.

Reported data that is known to be incomplete, deemed unreliable, or is an estimated (partially or full) amount, requires a narrative explanation which should be documented in the Narrative Sections. The explanation should include the amount and details of the circumstances regarding the availability and use of such data.

Because Intragovernmental amounts have not been reported in the past, the grids are structured to capture NonFederal

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(entities outside the Federal Government) liabilities. The DoD FMR states that liability amounts should be reported as NonFederal if the reporting agency is not certain of the recipient of the future payment. Please include any Intragovernmental amount that needs to be reported in the Narrative section along with a brief description of the related program and the federal entity that will conduct the work.

### **Additional Guidance**

Refer to the following for additional guidance: SFFAS No. 1, "Accounting for Selected Assets and Liabilities;" SFFAS No. 3, "Accounting for Inventory and Related Property;" and SFFAS No. 6, "Accounting for Property, Plant, and Equipment". Also refer to the DoD Financial Management Regulation, Volume 6B, Chapter 10. The additional references mentioned above can be found on the FMO Headquarters website at <http://www.fmo.navy.mil/>

### **INSTRUCTIONS FOR COMPLETING THE NARRATIVE TAB**

In the Narrative tab, provide the following:

- (1) Sources of cleanup requirements, method for assigning estimated total cleanup costs to current operating periods, unrecognized portion of estimated total cleanup cost associated with general PP&E, and material changes in environmental liability estimates made in the current reporting period.
- (2) Funding received in the current fiscal year to date for Environmental Cleanup and any expenses recorded against the current fiscal year to date funding
- (3) The unrecognized portion of the estimated total range preservation liability for Environmental Cleanup.
- (4) Information regarding possible changes due to inflation, deflation, technology, or applicable laws and regulations.
- (5) All variances must be explained regardless its percentage change.
- (6) Detail explanation of any prior period adjustments reported in the schedules.
- (7) Other information necessary for understanding environmental liabilities.

Sample Narrative: "The liability reported above is associated with the BRAC installation at Fictionville,

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Virginia. Environmental contaminants must be removed and disposed. Cleanup costs are assigned to current periods as they are incurred. There have been no changes in the estimate in the current reporting period. In the current fiscal year to date, funding in the amount of \$\_\_\_\_\_ was received for the cleanup of this installation. In the current fiscal year to date, expenses totaling \$\_\_\_\_\_ were recorded against cleanup funding. The estimate calculated for the cleanup of this site will not be materially affected by changes in inflation, deflation, technology, laws, or regulations."