

This checklist is only for facilities using the financial test for both liability and closure coverage.

If using a financial test for closure coverage only, use publication #05-04-008(f).

If using a financial test for liability coverage only, use publication #05-04-008(l).

Do not use this checklist for post-closure or interim status facilities – contact Ecology’s Financial Assurance Officer for instructions.

**FINANCIAL ASSURANCE COMPLIANCE CHECKLIST  
FINANCIAL TEST FOR COMBINED COVERAGE  
FACILITIES USING BOTH 40 CFR 264.143(f) and 264.147(f)**

**REVIEW FOR YEAR:** \_\_\_\_\_

DATE SUBMITTED \_\_\_\_\_  
 CFO LETTER DATE \_\_\_\_\_  
 FISCAL YEAR ENDS \_\_\_\_\_  
 FACILITY NAME \_\_\_\_\_  
 LOCATION \_\_\_\_\_  
 ID NUMBER \_\_\_\_\_

| INITIAL REVIEW STEPS   | COMMENTS |
|--|----------|
| 1. Have the required documents been submitted?<br>a. CFO letter – 40 CFR 264.143(f)(3)(i) and 264.147(f)(3)(i)<br>b. CPA’s report – 40 CFR 264.143(f)(3)(ii) and 264.147(f)(3)(ii)<br>c. CPA’s opinion – 40 CFR 264.143(f)(3)(iii) and 264.147(f)(3)(iii)  |          |
| 2. Is the CFO’s letter wording identical to the requirements and personally signed by the CFO of the owner or operator? 40 CFR 264.143(f)(3)(i), 264.147(f)(3)(i), and WAC 173-303-620(10)   |          |
| 3. Does the CPA’s report verify comparison to CFO’s letter? 40 CFR 264.147(f)(3)(ii)   |          |
| 4. Does the special report verify that the CPA compared the data from the CFO’s letter and that there are no reasons to adjust the data? 40 CFR 264.143(f)(3)(iii)(A) and (iii)(B), 264.147(f)(3)(iii)(A) and (iii)(B)   |          |
| 5. Has the owner/operator chosen to use the Financial Test Alternative I? If so, are <b>both</b> of the owner/operator’s net working capital <b>and</b> tangible net worth each at least six times the sum of current closure and post-closure cost estimates plus current plugging and abandonment cost estimates plus \$8 million (the amount of mandatory liability coverage)? 40 CFR 264.143(f)(1)(i)(B), 264.147(a), and 264.147(f)(1)(i)(A)  |          |
| 6. Has the owner/operator chosen to use the Financial Test Alternative II? If so, are <b>both</b> the owner/operator’s current Standard and Poor’s bond rating AAA, AA, A, or BBB or current Moody’s bond rating Aaa, Aa, A, or Baa <b>and</b> tangible net worth at least six times the sum of current closure and post-closure cost estimates plus current plugging and abandonment cost estimates plus \$8 million? 40 CFR 264.143(f)(1)(ii)(A), 264.143(f)(1)(ii)(B), and 264.147(f)(1)(ii)(A) |          |

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|---|--|
| 7. Is the owner/operator's tangible net worth at least \$20 million? WAC 173-303-620(4)(c)(iv)  |  |
| 8. Are at least 90 percent of the owner/operator's total assets located in the United States, or does the owner/operator have US assets totaling at least six times the sum of current closure and post-closure cost estimates plus current plugging and abandonment cost estimates plus \$8 million? 264.143(f)(1)(i)(D), 264.143(f)(1)(ii)(D), 40 CFR 264.147(a), 264.147(f)(1)(i)(C), and 264.147(f)(1)(ii)(D) |  |
| 9. Does the owner/operator meet the Financial Test requirements for combined liability/closure coverage? (Must answer "Yes" to questions 5, 7, and 8 OR 6, 7, and 8)  |  |
| 10. Were the necessary documents submitted 60 days prior to receipt of hazardous waste? 40 CFR 264.147(f)(4)  |  |
| <b>SUBSEQUENT REVIEW STEPS</b>  |  |
| 11. Have the cost estimates been adjusted for inflation? WAC 173-303-620(3)(c)  |  |
| 12. Do the calculations demonstrate the owner/operator continues to meet at least one of the two financial test alternatives? 40 CFR 264.147(f)(i) or 264.143(f)(ii)  |  |
| 13. If the owner/operator no longer meets the Financial Test requirements, have they submitted evidence they have obtained alternative financial assurance? 40 CFR 264.147(f)(6)  |  |
| 14. Any other outstanding issues or concerns?   |  |

**MANDATORY LANGUAGE:** Located in 40 CFR 264.151(g) and WAC 173-303-620(10). Examples of mandatory language are available from Ecology's Financial Assurance Officer at (360) 407-6754.

**CONCLUSION:** The Department of Ecology determines that the facility has (*circle one*) **COMPLIED / NOT COMPLIED** in all material respects with the requirements governing financial assurance as described in 40 CFR Part 264. Reasons for noncompliance, if any, are detailed in an attached memo.

Department of Ecology Review by: \_\_\_\_\_ Date: \_\_\_\_\_