

Do not use this checklist for combined closure and liability coverage or for closure coverage only.

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

If using a financial test for *both* closure and liability coverage, use publication #05-04-008(g).

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 LIABILITY
FACILITIES USING 40 CFR 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? a. CFO letter – 40 CFR 264.147(f)(3)(i) b. CPA’s report – 40 CFR 264.147(f)(3)(ii) c. CPA’s opinion – 40 CFR 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 264.147(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 that there are no reasons to adjust the data? 40 CFR 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 both of the owner/ operator’s net working capital and tangible net worth each at least six times the amount of liability coverage to be demonstrated by the financial test (\$1/\$2 million and \$3/\$6 million)? 40 CFR 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, is 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? 40 CFR 264.147(f)(ii)(A)	
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 amount of liability coverage to be demonstrated by the Financial Test (\$1/\$2 million and \$3/\$6 million)? 40 CFR 264.147(a), 264.147(f)(1)(i)(C), and 264.147(f)(1)(ii)(D)	
9. Does owner/operator meet the financial test requirements for liability coverage only? (Must answer “Yes” to questions 5, 7, 8, and 9 OR 6, 7, 8, and 9)	
10. Were the necessary documents submitted 60 days prior to receipt of hazardous waste? 40 CFR 264.147(f)(4)	
SUBSEQUENT REVIEW STEPS	
11. Do the calculations demonstrate the owner/operator continues to meet at least one of the two financial test alternatives? 40 CFR 264.147(f)(1)(i)	
12. 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)	
13. Is the amount of coverage at least \$1/\$2 million for sudden accidental occurrences and at least \$3/\$6 million for nonsudden accidental occurrences (\$8 million total)? 40 CFR 264.147(a)	
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: _____