

Do not use this checklist for closure coverage. If using a corporate guarantee for closure coverage, use publication #05-04-008(f). Do not use this checklist for post-closure or interim status facilities – contact Ecology’s Financial Assurance Officer for instructions.

**FINANCIAL ASSURANCE COMPLIANCE CHECKLIST
CORPORATE GUARANTEE FOR LIABILITY
FACILITIES USING 40 CFR 264.147(g)**

REVIEW FOR YEAR: _____

DATE SUBMITTED _____
 CFO LETTER DATE _____
 GUARANTEE DATE _____
 GUARANTOR NAME _____
 FACILITY NAME _____
 LOCATION _____
 ID NUMBER _____

INITIAL REVIEW STEPS	COMMENTS
1. Is the guarantor the direct or higher-tier parent corporation of the owner/operator? <i>40 CFR 264.147(g)(1)</i>	
2. Does the guarantor have a “substantial business relationship” with the owner/operator? <i>40 CFR 264.147(g)(1)</i>	
3. 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? <i>40 CFR 264.147(f)(1)(i)(A)</i>	
4. 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? <i>40 CFR 264.147(f)(ii)(A)</i>	
5. Is the owner/operator’s tangible net worth at least \$20 million? <i>WAC 173-303-620(4)(c)(iv)</i>	
6. 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? <i>40 CFR 264.147(f)(1)(i)(C) and 264.147(f)(1)(ii)(D)</i>	
7. Does owner/operator meet the financial test requirements? (Must answer “Yes” to questions 3, 5, and 6, OR to questions 4, 5, and 6.)	
8. Have the required documents been submitted?	
a. CFO letter – <i>40 CFR 264.147(f)(3)(i)</i>	
b. CPA’s report – <i>40 CFR 264.147(f)(3)(ii)</i>	
c. CPA’s special report/opinion – <i>40 CFR 264.147(f)(3)(iii)</i>	
9. Is the CFO’s letter wording identical to the requirements and personally signed by the CFO of the owner or operator? <i>40 CFR 264.147(f)(3)(i) and WAC 173-303-620(10)</i>	
10. Does the CPA’s report verify comparison to CFO’s letter? <i>40 CFR 264.147(f)(3)(ii)</i>	

11. 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 264.147(f)(3) (iii)(A) and (iii)(B)	
12. Is the amount of the Corporate Guarantee at least \$1/\$2 million for sudden accidental occurrences and at least \$3/\$6 million for nonsudden accidental occurrences? 40 CFR 264.147(a)	
SUBSEQUENT REVIEW STEPS	
13. Does the guarantor continue to meet the financial test requirements? 40 CFR 264.147(g)	
14. Have there been any changes that would render the guarantor ineligible to use the corporate guarantee?	
15. Any other outstanding issues or concerns?	

MANDATORY LANGUAGE: Located in 40 CFR 264.151(h)(2) 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: _____