



**Department of Energy**  
Bonneville Power Administration  
P.O.Box 3621  
Portland, Oregon 97208-3621

Environment, Fish and Wildlife

August 15, 2003

In reply refer to: KEWB-4

APPLIED ARCHAEOLOGICAL RESEARCH (APPL ARCHAEOLOGICAL )  
4001 NE HALSEY  
SUITE 3  
PORTLAND OR 97232

As part of our efforts to accurately account for and track the financial performance of fish & wildlife contracts, the Bonneville Power Administration (BPA) is required to report all contract performance that occurs within this fiscal year or earlier (before September 30, 2003), but will not be billed until October 1, 2003 or later. This reporting will assure that we accurately record expenses in the appropriate fiscal year, thus creating clarity between the work accomplished in FY 2003, with applicable expenses, and the work accomplished in FY 2004. This distinction is particularly important in light of BPA's need to closely manage the Fish and Wildlife Program within accrual limits, and the heightened standards for reporting of financial assets and liabilities recommended by our independent auditor, PriceWaterhouseCoopers.

To accurately capture FY 2003 Fish & Wildlife Program costs, BPA is requesting your assistance in identifying a detailed listing of all contract work and expenses that meet the following criteria. Note that **both** of the following criteria must be met before an accrual may be processed for unbilled contract performance:

1. There must have been actual contract performance (services rendered or goods received) in FY 2003 or earlier (prior to September 30, 2003).
2. The invoice for the contract performance in question will not be received by BPA before the close of business on September 30, 2003. The work will be invoiced in the first months of FY 2004.

Again, if either of the above criteria is not true, then an accrual should not be reported. Do not double count expenses by including costs in the accrual estimate that have already been billed to BPA or will be before Sept. 30th, or including expenses for work that takes place after Sept. 30. These costs will be invoiced and included in FY 2004.

In order to facilitate uniform reporting, please indicate the accrual estimate for each contract listed on the attached form. If you have a contract that meets the criteria listed above, but is not listed, please add it to the form. If separate invoices will be submitted for multiple performance periods on a contract, please provide an estimate for each individual invoice. For example, if you anticipate submitting an invoice for the month of August 2003 and an invoice for September 2003, list each of these performance periods and the corresponding estimate of the invoice amount. The performance period for an invoice is the period of time when the invoiced work was performed. Accurately indicating the performance period will allow BPA to match the accrual estimate to the actual invoice when it is submitted.

Please include in your accrual estimate all of the costs that you anticipate will be invoiced to

BPA for work occurring before Sept. 30th, including appropriate indirect costs and any subcontractor costs. Please be as accurate as possible in making the accrual estimate. Failure to accurately capture year-end accruals will have a detrimental impact on the Fish & Wildlife program. Under-estimating the accrual amount could result in the necessity of using FY 2004 funds to pay for work accomplished in FY 2003. Over-estimating the accrual amount could result in improperly tying up FY 2003 funds for your project that could be used by other projects, undermining the overall program. Not reporting an estimate has the same effect as under-estimating the accrual. The accuracy of your best estimate of the accruals is extremely important, as our auditors (PriceWaterhouseCoopers) will be reviewing these estimates later in the fiscal year.

Remember that your year-end accrual estimate counts against your contract spending cap (Council defined spending limit). If you have a contract with the spending cap clause you will not be allowed to accrue greater than that allowed under the cap. If your contract does not yet have the spending cap clause, we are asking that you make every attempt to not exceed the Council defined spending limit. The Council defined spending limit is the amount used for the spending cap. Each of our F&W contractors contributes to ensuring the F&W Program does not exceed its overall cap of \$139 million. If you anticipate the year-end accrual will result in the spending cap (Council defined spending limit) being exceeded for your contract, please contact your BPA project manager/COTR immediately to resolve this issue.

Please return the completed and signed form to BPA, ATTN: KEWB-4/Accrual Estimates, by September 16, 2003. The form may be faxed to BPA at (503) 230-3049, however we request that the original form still be mailed to BPA. Your attention to detail and cooperation is essential and appreciated. Reports are available at the following location on the BPA website at to assist you in calculating your accrual estimate:

[http://www.efw.bpa.gov/cgi-bin/FW/Info\\_For\\_Fish\\_Wildlife\\_Contractors.cgi](http://www.efw.bpa.gov/cgi-bin/FW/Info_For_Fish_Wildlife_Contractors.cgi)

BPA is also considering comments regarding our draft Policy Manual for Fish and Wildlife contracts, available at the website shown above. Comments on the draft Manual are due by September 12. (The comment period has been extended to allow adequate time for comment.)

If you have questions, please contact Tracy Hursh at (503) 230-4532 or Bryan Crawford at (503) 230-5130.

Sincerely,

A handwritten signature in black ink, appearing to read "Scott R. Hampton", written over a horizontal line.

Scott R. Hampton  
Manager, Finance, Budget and Information Technology