



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

Environment, Fish and Wildlife

August 24, 2004

In reply refer to: KEWB-4

NORTHWEST FISHERIES SCIENCE CENTER (SEATTLE )  
2725 MONTLAKE BLVD EAST  
SEATTLE WA 98112-2097  
Attn: HELEN BRANDLING-BENNETT

It is once again time for me to ask for your assistance in accounting for the financial performance on Fish and Wildlife contracts. It has only been three months since I last asked for you to make accrual estimates for our simulated year-end closing that took place on June 30, 2004, so I realize that we have placed a burden on your staff to provide us with this information twice in one year. However, the year-end accrual estimate is important as it ensures that we accurately record expenses in the appropriate fiscal year, thus creating clarity between the work accomplished in FY 2004, with applicable expenses, and the work accomplished in FY 2005. 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 of reporting of financial assets and liabilities recommended by our independent auditor, PriceWaterhouseCoopers. Accurate accrual estimates will provide an opportunity to determine to what extent unspent funds from FY 2004 may be used in FY 2005.

To accurately capture FY 2004 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 2004 or earlier (prior to September 30, 2004). If you ordered goods before September 30, but anticipate that they will not be received until after September 30, these are costs of FY 2005, not FY 2004.
2. The invoice for the contract performance in question will not be received by BPA prior to the close of business on September 30, 2004. The work will be invoiced in the first few months of FY 2005.

Again, if either of the above criteria is not true, then an accrual should be reported as \$0. **If you have costs from the June accrual estimate that have not been billed to BPA by September 30, please include those costs in the September 30 accrual estimate.** Do not double count expenses by including costs in the accrual estimate that have already been billed to BPA or will be before September 30th, or including expenses for work or goods expected to take place or be received after September 30. These costs will be invoiced and included in FY 2005.

Please include in your accrual estimate any indirect costs and any subcontractor costs that will be incurred but not billed before September 30, 2004. **The accrual estimate should be less than the contract balance anticipated as of September 30, 2004 and should not result in the**

**spending cap identified in your contract being exceeded.** Please be as accurate as possible in making the accrual estimate. The accuracy of your best estimate of the accruals is extremely important, as our auditors (PriceWaterhouseCoopers) will be reviewing these estimates during their audit of BPA. PriceWaterhouseCoopers or BPA internal auditors may request additional information for contracts that accrue significantly over or under their actual expenditures to determine the causes of inaccuracies.

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.** This year we've included a column that shows the status of the contract. If the contract status is closed, there may be a few instances where BPA has not received the final invoice and an accrual estimate is needed. If the contract is done and no more invoices are anticipated for the contract work, put "Done" in this column. If the best estimate is that no expenditures will take place before September 30th, but you are not sure, and there "may be" additional invoices, indicate \$0. **If separate invoices will be submitted for multiple performance periods on a contract, please provide an estimate for each individual invoice and the period it will cover.** For example, if you anticipate submitting an invoice for the month of August 2004 and an invoice for September 2004, 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 is performed or when goods will be received. Accurately indicating the performance period will allow BPA to match the accrual estimate to the actual invoice when it is submitted. **To help us match the actual invoice to the accrual estimate for invoices received after September 30th, please indicate on the invoice or transmittal letter, that portion of the invoice that relates to work performed and label each:**

**Work on or before June 30, 2004:           \$XX.xx**

**Work on or before September 30, 2004: \$YY.yy**  
(This includes the above June 30 amount.)

We are asking for the breakout of pre-June 30th costs as we are still tracking invoices against those accrual estimates. We are no longer tracking costs from the September 30, 2003 accruals.

Please return the completed and signed form to BPA, ATTN: KEWB-4/Accrual Estimates, by September 10, 2004. 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 that show which invoices have been received for each contract are available at the following location on the BPA website 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 realizes that preparing the accrual estimates twice this year is time consuming for our contractors, however at this point in time, you are the best source of information for these estimates. As mentioned in a previous letters to contractors, with the Process Improvement project under way at BPA, including the development of our new project management system Pisces, we will be phasing in a requirement for monthly spending plans for contracts beginning or renewing October 1, 2004. We are hoping that these monthly spending plans will be accurate enough that at the end of FY 2005, we can use these plans to calculate the year-end accruals, thus eliminating the need to ask our contractors for this information. We will be asking our contractors to review the estimates that we make for the first couple of years to help us ensure that our methodology is producing an accurate estimate.

Once again, I recognize the burden that calculating these estimates places on your staff and would like to thank you in advance for cooperating with us in ensuring that the numbers reported for the Fish and Wildlife program are the best that they can be. If you have questions, please contact Tracy Hursh at (503) 230-4532 or Patty Baltazar at (503) 230-4760.

Sincerely,

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

Scott R. Hampton  
EF&W Business Operations Support