



United States Department of the Interior

OFFICE OF THE SECRETARY
Washington, DC 20240

MAY 22 2014

FINANCIAL MANAGEMENT MEMORANDUM 2014 – 013 (Vol. II.E)

To: Bureau Chief Financial Officers
Bureau Senior Asset Management Officers

From: Douglas A. Glenn 
Deputy Chief Financial Officer and Director
Office of Financial Management

 Debra E. Sonderman 
Director
Office of Acquisition and Property Management

Subject: Statistical Sample Asbestos Liability

The Federal Accounting Standards Advisory Board Technical Bulletin 2006-1, *Recognition and Measurement of Asbestos-Related Cleanup Costs*, requires that Federal agencies estimate the cost to remove asbestos containing materials and record a liability for those costs in financial statements. The *Department of the Interior (DOI) Asbestos Liability Reporting Methodology and Guidance*, dated May 2014, and Financial Management Memorandum 2013-023 (Vol. II.B), dated July 2013, *Accounting Guidance for the Recognition of Liability and Related Expenses for Asbestos-Related Cleanup Costs Associated with Real Property*, outlines the DOI's approach and methodology for estimating accrued and disclosed asbestos-related cleanup costs.

The Office of Financial Management (PFM) has again contracted with PricewaterhouseCoopers to assess DOI facilities' asbestos liability estimates and associated controls using statistical sampling. The DOI's methodology to estimate its asbestos liability leverages data elements, e.g., legal interest, user status, construction completion date, DOI asset code, gross square footage, etc, which reside in the real property module of the DOI's Financial and Business Management System (FBMS). By performing a statistical sample of the data we will be able to validate the liability estimate generated through the DOI methodology and assess the accurate recording of real property attributes in FBMS, from which the DOI-wide liability estimate is being generated.

Attached is a randomly generated sample of real property assets assigned to each Bureau. The sample population includes exempt and non-exempt real property. For each item in the sample, reviewers should electronically submit adequate documentation validating the critical data elements to their Bureau audit points-of-contact (POC) listed below. Bureaus will submit samples via PFM's SharePoint site in accordance with the attached instructions. Bureaus may begin uploading documents immediately and must submit the completed samples by no later than June 20, 2014. Each sampled item must be submitted with the Asbestos Liability Statistical Sampling – Cover Sheet and Supporting Documentation form (see attached template). Please

note that the form asks that you identify the person who prepares the sample and provide his/her e-mail and phone number. This person should be able to answer questions about the assets and information submitted. The table below lists Bureau audit POCs who may be able to assist with Bureau-level questions.

Bureau	Point of Contact	E-mail
Bureau of Land Management	Luis Coppa	lcoppa@blm.gov
Fish and Wildlife Service	Moe Kabiri	moe_kabiri@fws.gov
Fish and Wildlife Service	Andrea McLaughlin	andrea_mclaughlin@fws.gov
Bureau of Reclamation	Henri Kaplan	hkaplan@usbr.gov
Bureau of Reclamation	Linda Griswold	lgriswold@usbr.gov
National Park Service	Elizabeth Withers	Elizabeth_withers@nps.gov
U.S. Geological Survey	Matthew Coulby	mcoulby@usgs.gov
U.S. Geological Survey	Debbie Sykes	dasykes@usgs.gov
Indian Affairs	Chantal Dobbins	chantal.dobbins@bia.gov
Indian Affairs	Jaime Rullan	jaime.rullan@bia.gov

Also attached is a document that provides guidance on the documentation that is considered acceptable to support the data elements in FBMS. The guidance incorporates comments received from the Bureaus as a result of lessons learned from conducting the asbestos stat sampling last year.

If you have any questions concerning the contents of this memorandum, please contact Paul McEnrue, Financial Reporting Division Chief in the Office of Financial Management at (202) 208-3425 or e-mail Paul_McEnrue@ios.doi.gov.

Attachments

Bureau Asbestos Liability Samples

Instructions for Uploading Documents to SharePoint

Asbestos Liability Statistical Sampling – Cover Sheet and Supporting Documentation form

Guidance on Supporting Documentation for Asbestos Liability Estimate