United States Department of the Interior

OFFICE OF THE SECRETARY
Washington, DC 20240

JUL 2 8 2015

FINANCIAL MANAGEMENT MEMORANDUM 2015-030 (Vol. II-B)

To: Bureau Chief Financial Officers

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

Subject: Contingent Liability Reporting Guidance

This memorandum documents Department of the Interior (Department) accounting guidance for contingent liability reporting effective fiscal year (FY) 2015. The Department received a notice of finding and recommendation (NFR) over contingent liability reporting in FY 2014, recommending the need for improved guidance and improved documentation pertinent to case settlements.

The attached policy defines the review and reporting requirements for contingent liabilities. Included in the revised guidance is a description of the newly implemented "Settlement Payment Triggered" field in the Contingent Liability System (CLS). The policy also includes a change in the United States General Ledger (USSGL) treatment associated with matters expected to be paid by the Treasury Judgment Fund that do not require reimbursement. The Department is to use USSGL 679000, *Expenses not Requiring Budgetary Resources*, to capture pending litigation related to the Treasury Judgment Fund that is not required to be paid back by the agency.

Previously, contingent liabilities were recorded to USSGL 680000, *Future Funded Expenses.* This change is in accordance with the Treasury Financial Manual, Part 2 – Section III: *USSGL Account Transactions*, scenario B424. Prospectively, this change is effective beginning in FY 2015 and should not be applied retroactively as there is no financial statement line item impact. If you have any questions, please contact Kimberly Brislin, Staff Accountant in the Office of Financial Management, at (540) 400-6691 or via e-mail at Kimberly_Brislin@ios.doi.gov.

Attachment

cc: Bureau Finance Officers
Finance Officers Partnership
Financial Statement Guidance Team