U.S. Immigration
and Customs
Enforcement

Chapter 3: Financial Management and Accounting

Section 3.5 – Liabilities Policy

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Introduction

Liabilities represent the probable and measurable future outflow or other sacrifice of resources as a result of past transactions or events. Liabilities covered by budgetary resources are those liabilities for which Congress has appropriated funds or funding is otherwise available to pay amounts due. Liabilities not covered by budgetary or other resources represent amounts owed in excess of available congressionally appropriated funds or other amounts, and there is no certainty that the appropriations will be enacted.

This section defines and addresses liabilities, including liabilities not addressed separately or within other sections of the Immigration & Customs Enforcement (ICE) Financial Management Policy Manual (FMPM).

This policy shall remain in effect until superseded.

Responsibilities

The **ICE Chief Financial Officer (CFO)** establishes, oversees, and updates all financial management activities including, but not limited to, policy development, budget formulation, asset and facilities management, and internal controls consistent with the mission and strategic goals of the Department of Homeland Security (DHS).

The **ICE Office of Financial Management (OFM)** will establish internal controls over financial reporting to ensure proper preparation and fair presentation of financial statements that are free from material misstatement. Effective internal controls also prevent, deter, and detect fraud and ensure compliance with laws and regulations.

The **ICE Office of Asset and Facilities Management (OAFM)** is responsible for identifying and calculating environmental liabilities based on the principle of due care. Environmental liabilities are reported to OFM on a quarterly basis and are updated by OAFM's Safety and Sustainability Division annually.

Policy

This policy establishes accounting policies and standards to measure and recognize liabilities in the ICE general ledger and financial reports.

General purpose federal financial reports should recognize probable and measurable future outflows or other sacrifices of resources arising from (1) past exchange transactions, (2) government-related events, (3) government- acknowledged events, or (4) non-exchange transactions that, according to current law and applicable policy, are unpaid amounts due as of the reporting date. Liabilities include both liabilities covered by budgetary resources and liabilities not covered by budgetary resources.

OFM must record all liabilities on the accrual basis, in accordance with the Federal Accounting Standards Advisory Board (FASAB) Statements of Federal Financial Accounting Standards, regardless of fund availability, and liquidate the liabilities as payments are made.

OFM will recognize liabilities when incurred and will not delay recognizing a liability based on the availability of budgetary resources or funds and must disclose liabilities not covered by budgetary resources.

The general ledger or subsidiary ledger accounts must be sufficiently detailed to provide the categories of liabilities needed to comply with reporting requirements. Separate accounts are established for major categories of liabilities to facilitate clear and full disclosure on financial statements.

The accounting records will differentiate between federal (i.e., intragovernmental liabilities arising from transactions among federal entities) and non-federal liabilities (i.e., liabilities arising from transactions of the Federal Government with persons and organizations outside the U.S. Government, either foreign or domestic).

This policy is consistent with, and supplements guidance found in the following policy section paragraphs:

1. Accounts payable (FMPM 3.4 – Payables and *Disbursements*)
2. Advances and Prepayment (FMPM 3.4 – *Payables and Disbursements*)
3. Intragovernmental transactions (FMPM 3.7 - *Intragovernmental*)
4. Accruals and estimates (FMPM 3.6 – *Accruals and Estimates*)
5. Contingent liabilities (FMPM 3.10 – Commitments, Contingent Liabilities, and Contingent Legal Liabilities)
6. Operating leases (FMPM 3.1 – Property, Plant, and Equipment)
7. Capital leases (FMPM 3.1 – Property, Plant, and Equipment)

8. Liabilities for direct loans and loan guarantees (FMPM 3.3 – Revenue and Receivables)

9. Deferred revenue (FMPM 3.3 – Revenue and Receivables)

This policy also provides guidance for the following selected liabilities not addressed separately or within other sections of the ICE FMPM:

1. Federal debt and related interest

2. Federal Employees' Compensation Act (FECA) liability and the annual actuarial FECA liability

3. Funds held for others (Deposit and Suspense Accounts)

4. Unfunded liabilities

5. Actuarial liabilities

6. Environmental liabilities

7. Other liabilities

For additional guidance regarding the establishment of liabilities see the DHS Component Requirements Guide (CRG).

1. Selected Liabilities

The following provides guidance on the recognition criteria for selected liabilities not covered elsewhere in the ICE FMPM.

1-1. Federal Debt and Related Interest

ICE will identify the amount of the outstanding debt liability of the Federal Government and the related interest cost for each accounting period. Federal debt transactions are recognized as a liability when there is an exchange between the involved parties.

Federal debt securities fall into two major categories for accounting purposes: fixed-value and variable value securities.

a. Fixed value securities should be valued at their original face (i.e., par) values net of any unamortized discount or premium. Amortization of the discount or the premium should normally follow the effective interest method. In certain cases, the straight-line method is permitted. Either method is acceptable in the cases of:

1. Short-term securities that have a maturity of one year or less, and

2. Long-term securities for which the amount of amortization under the straight-line method would not be materially different from the amount of amortization under the effective interest method.

b. Variable-value securities should be originally valued and periodically revalued at their current value on the basis of the regulations or offering language. The related interest cost of the federal debt includes the accrued (prorated) share of the nominal interest incurred during the accounting period, the amortization amounts of discount or premium of each accounting period, and the amount of change in the current value for the accounting period for variable-value securities

1-2. Federal Employees' Compensation Act (FECA) Liability

FECA provides income and medical cost protection to covered federal civilian employees for injuries on the job, work-related occupational disease, and to beneficiaries of covered employees. FECA liabilities consist of the following liabilities:

a. The Accrued Federal Employee's Compensation Act (FECA) Liability is the unfunded amount payable to the Department of Labor (DOL) for workers' compensation. ICE records this liability to reflect the reimbursement cost owed to DOL for paying for the FECA expense on their behalf, although ICE has not received funds from Congress to reimburse DOL. The accrued FECA liability is prepared on a quarterly basis.

b. The Actuarial FECA liability is the estimated amount of FECA claims payable to employees over an extended future period. DOL determines the actuarial FECA liability annually, as of September 30th, using an actuarial method that considers historical benefit payment patterns, wage inflation factors, medical inflation factors, and other variables. In addition, DOL provides the liability amounts and the calculation methods to the federal agencies. Annually, ICE allocates a portion (a running three-year average) of the long-term FECA actuarial liability attributable to ICE in DHS' financial statements.

   The projected annual benefit payments are discounted to present value using the OMB economic assumptions for 10-year Treasury notes and bonds. The actuarial FECA liability is not covered by budgetary resources and requires future funding. The actuarial FECA liability is prepared before final year-end financial reporting.

Financial Reporting Impact; Financial Reports and Notes to Financial Statements

Annual actuarial FECA liability is accrued and represents liability for future worker's compensation cases. It is reported as part of Federal Employee & Veterans Benefits (FEVB).

1-3. Funds Held for Others

Funds held for others consist of deposit funds and clearing (i.e., suspense) accounts. Deposit funds are accounts outside the budget that a government entity is holding temporarily in trust for others, until ownership is determined. Suspense accounts include amounts arising in the course of operations that cannot be analyzed readily and recorded to the proper account because of inadequate information, uniqueness of the transaction, or similar complications.

A deposit fund liability is established whenever ICE has physical possession or responsibility for non-government personal property or cash. This includes certain funds that belong to others, such as deposit funds. Deposit funds represent liabilities for amounts on deposit, covering such items as:

a. Money withheld by the Government for payments for goods and services received. This type of transaction may be treated as a deposit fund liability if a budget account has been charged and funds are being held pending payments (e.g., payroll deductions for savings bonds and state income tax withholdings).

b. Deposits received from outside sources and temporarily held in custody by the Government, and money held by the Government awaiting distribution based on a legal determination or investigation.

c. Funds held for others also include amounts held in clearing (suspense) accounts awaiting disposition or reclassification.

Consistent with Office of Management and Budget (OMB) Circular A-11 Section 20: Terms and Concepts guidance, clearing accounts can be used to temporarily account for transactions that belong to the government until the transaction is matched to a specific receipt or expenditure account. Clearing/suspense accounts should not be used for outlays or payments; or to mask an obligation or over expenditure of an expenditure account.

See ICE FMPM Section 4.3, *Reconciling Fund Balance with Treasury* for additional guidance.

1-4. Unfunded Liabilities

Unfunded liabilities result from occurrences of eligible events in the current or prior periods for which revenues or other sources of funds necessary to pay the liabilities have not been made available through Congressional appropriations or current earnings of ICE. Examples include pension and FECA liabilities. The following guidance is applicable for reporting accrued unfunded leave liability. Accrued unfunded leave liabilities reflect the amount of unused annual and other vested compensatory leave (i.e., compensatory time and credit hours) earned by employees but not used at the end of the accounting period. These liabilities are considered unfunded since they will be funded from future appropriations (i.e., when the leave is actually used by employees). Refer to the ICE FMPM Section 3.6 – *Accruals and Estimates* for details and guidance.

a. The accrual for unfunded leave liabilities must consider the leave balance based on the wage rate on the date of the accrual. When estimating the accrual for unfunded leave liabilities, the employer's share of Social Security taxes and Medicare taxes associated with the accrued leave liability that is paid by ICE must be included.

b. OFM must revise the accrual quarterly to reflect current pay rates, used leave balances, statutory limitations, and employees that transferred in or out during the year based on reports provided by the Office of Chief Human Capital Office (OCHCO).

c. OFM must recognize an unfunded leave liability and a future funded expense for earned annual and other vested compensatory leave. OFM must adjust its unfunded leave liability to account for earned and used leave during the reporting period.

1-5. Actuarial Liabilities

Actuarial liabilities are the amounts calculated, based on actuarial assumptions, which represent the present value of pension benefits accrued in a pension plan. Entities that are responsible for administering pensions, other retirement benefits (e.g., health benefits for retirees), and other post-employment benefits will calculate and report actuarial liabilities and related expenses in accordance with SFFAS No. 5 as detailed below. In addition, actuarial gains and losses from long-term assumptions used to estimate the previously listed liabilities are reported on the statement of net cost separately from other costs (see *SFFAS No. 33, Pensions, Other Retirement Benefits and Other Postemployment Benefits: Reporting the Gains and Losses from Changes in Assumptions and Selecting Discount Rates and Valuation Dates*).

a. *Financial Reporting Impact; Financial Reports and Notes to Financial Statements*. Full annual cost of civilian employees' pension benefits are recognized by ICE; however, the assets of the plan and liability associated with pension costs are recognized by the Office of Personnel Management (OPM). Accordingly, ICE does not display these gains or losses from changes in long-term assumptions used to measure these liabilities on the statement of net cost.

1-6. Environmental Liabilities

ICE will comply with all FASAB accounting standards, and other applicable requirements as identified in the Authorities and References, regarding environmental liabilities. ICE also recognizes, evaluates, and reports environmental liabilities in accordance with DHS Guidance Manual 023-02-002-02, *DHS Environmental Liabilities*. ICE is required to recognize a liability for environmental cleanup or closure cost as a result of past transactions or events when a future outflow or other expenditure of resources is both probable and reasonably estimable. The recognition of environmental liabilities is not based on the availability of funds and estimates for these liabilities should be considered an additional cost to ICE during construction or renovation projects to remediate and remove the liability before the project occurs.

Due care refers to the process of identifying a complete universe of assets and sites with the associated environmental liabilities. Agencies are expected to exercise due care when determining the presence of contamination and the presence of environmental liabilities. If ICE is aware of the contamination or other potential environmental liabilities, it must determine whether the contamination is government-related and whether the Federal Government is legally liable for remediation efforts. Reporting on environmental liabilities is an accounting estimate and does not constitute a legal obligation to expend funds; however, these calculations are important records to document the potential for future clean-up, decommissioning, and disposal costs.

Evidence of the exercise of due care may include, but is not limited to:

1. Review of recorded chain of title documents and good faith inquiry and investigation into prior uses of the property.

2. Investigation of aerial photographs from other government agencies that may reflect prior uses.

3. Analyses to estimate the existence of uninvestigated sites based on information from known sites

4. Inquiry into records that are available from federal, state, and/or local jurisdictions.

5. Visual site inspections.

6. Investigations of complaints regarding health conditions.

OAFM has policies and procedures in place to exercise due care while identifying contamination.

ICE Sustainability, organized under the Office of Asset and Facilities Management, leads ICE's due care processes in accordance with guidance set forth in DHS Guidance Manual 023-02-002-02. As part of its due care processes, ICE Sustainability is required to conduct triennial comprehensive environmental audits of ICE-owned facilities (see ICE Environmental Auditing Standard Operating Procedures (SOP) for additional information), which results in the identification of actual or potential environmental liabilities. These audits are integral to ensuring due care is exercised.

ICE Sustainability practices due diligence in the identification and remediation of environmental liabilities by working in conjunction with Facility Managers at ICE-owned facilities as well as the ICE Safety Unit. ICE calculates environmental liabilities for asbestos, firing ranges, state-regulated aboveground/belowground storage tanks, lead-based paint, and other applicable sources of contamination.

ICE Sustainability develops, and updates cleanup cost estimates and submits the final cost estimate to OFM in Quarter 4 of the fiscal year.

a. Various key factors (tests) must be considered in determining whether a future outflow of resources for environmental cleanup is probable. The factors are:

   1) *Likely Contamination*. If OAFM has exercised due care in determining the presence of contamination and as a result, believes it is unlikely that contamination (for which it is responsible) exists, then the probability criterion is not met. However, if OAFM is aware of contamination, then it must determine whether the contamination is government related and if the Federal Government is legally liable. For example, see the Technical Bulletin (TB) 2006-1, Recognition and Measurement of Asbestos- Related Cleanup Costs, as amended by TB 2009-1, Deferral of the Effective Date of Technical Bulletin 2006-1, for guidance on the cleaning up of asbestos-related contamination..

2) *Government Related and Legally Liable*. Government related events are those where a governmental entity either caused contamination (i.e., contribution of waste), or is otherwise related to the contamination in such a way that ICE is legally liable to clean up the contamination. If ICE believes it is more likely than not that it will be legally liable, then the probability criterion is met.

3) *Government Acknowledged Financial Responsibility*. If environmental contamination is not government related, then the ICE must determine whether it is authorized to formally accept financial responsibility for cleanup. If the Government does not accept financial responsibility, then the probability criterion is not met.

4) *No Known Remediation Technology Exists*. In the case of a government related event, where there is no known technology to clean up a particular site, then known costs, for which ICE is responsible, such as a remedial investigation/ feasibility study and/or costs to contain the contamination, meet the probability test. With no known remediation technology, actual remediation is not feasible and therefore the outflow of resources for remediation is not probable.

b. Tests for reasonably estimable are applied after a transaction or event has occurred that meets the definition of probable. These tests apply to both active and closed sites. The analysis should consider all significant sites, with the information rolled up into an Agency-wide estimate. Cost estimates should be based on current technology. Overall, it must be emphasized that every effort should be made to develop an estimate. Various key factors (tests) should be considered in determining whether future outflows of resources can be reasonably estimated. The factors are:

1) *Completion of an Estimation Study*. The first test in determining whether costs are reasonably estimable is to ascertain whether there is a completed study upon which to base an estimate. For example, if a remedial investigation has been completed for a particular site, the remedial investigation would form the basis upon which to begin estimating the liability. The fact that ICE does not have an agency- wide comprehensive study completed does not exempt it from making its best effort to estimate a liability for financial statement purposes, or for recognizing a liability for that portion of the obligation that can be estimated. If the results of the study indicate that no contamination exists, then probability is not met.

2) *Experience with Similar Site and/or Conditions*. If no study has been completed, the next test is to determine whether a site appears to be similar to any other site or condition where experience has been gained through either a completed study or actual remediation. Similar sites or conditions could be related to other federal entities or private sector corporations. A location can be composed of many sites; a site can contain many conditions. It may be practical for an agency to combine similar conditions or sites into one large site or location.

   If there is a similar site or condition with experience gained (through actual cleanup and/or a completed study to compare), the estimate for recognizing a liability for a site could be based on the similar experience or conditions. In addition, the estimated cost of a future study (if required) should be recognized. Future studies could result in improved estimates. If there is no comparable site and/or condition, remediation costs for a site would not be considered reasonably estimable at that time, but ICE would recognize the anticipated cost of conducting a future study, if required, plus any other identifiable costs.

3) *Availability of Remediation Technology*. Assuming a study has been completed, or ICE has experience with a similar site and/or condition as noted above, the next test is whether technology is available to remediate a site. If no remediation technology exists, then remediation costs would not be reasonably estimable, but ICE would be required to recognize the costs to contain the contamination and any other relevant costs, such as costs of future studies. If technology is available, then remediation costs are reasonably estimable, and ICE would recognize the best estimate at current cost. If no amount within a range of estimates is a better estimate than any other amount, the minimum amount in the range would be recognized.

   If the estimate is based on similar site criteria, ICE would also recognize the anticipated cost of the study, if required.

   In certain instances, the study may conclude that even though technology does exist to remediate, ICE should consider containment as one of the options. If ICE has yet to decide and it may in fact choose containment rather than remediation, and assuming containment is not precluded by other involved parties (i.e., by Environmental Protection Agency (EPA), individual states and/or local jurisdictions), ICE would consider the estimated cost of containment when calculating the estimated costs to be recognized or disclosed. ICE would calculate an amount to be recognized based on the type and length of containment required.

Resource Conservation and Recovery Act (RCRA) regulations require owners of hazardous waste disposal facilities to implement post-closure maintenance and monitoring activities for a minimum of 30 years. When developing estimates of these operation and maintenance (O&M) costs, EPA generally assumes that O&M activities will be required for 30 years. In most instances, containment costs should be determined on the basis of a minimum of 30 years. It would be expected that in the case of nuclear contamination, different tri-party agreements, technical problems, or other circumstances may lead to the use of a substantially longer time frame than for typical RCRA or *Comprehensive Environmental Response Compensation and Liability Act of 1980* (CERCLA) sites.

If management has not determined what remedial action should be taken for a contaminated active site, the cost of containment at the end of the facility's useful life, plus the cost of a study, should be considered as the low end of the range of future estimated cleanup costs.

If ICE has environmental liabilities that involve several potentially responsible parties, it must follow guidance listed in FASAB's Accounting and Audit Policy No. 2, and the FASAB current text to determine if an environmental liability exists.

c. Cleanup costs are estimated when the associated Property, Plant and Equipment (PP&E) is placed in service or when an event occurs that necessitates the recognition of a liability, whichever comes first. The estimate must contemplate a cleanup plan, including level of restoration to be performed, current legal or regulatory requirements, and current technology; current cost which is the amount that would be paid if all equipment, facilities, and service included in the estimate were acquired during the current period.

   The estimated liability may be a specific amount or a range of amounts. If some amount within the range is a better estimate than any other amount within the range, that amount is recognized. If no amount within the range is a better estimate than any other amount, the minimum amount in the range is recognized. Estimates should be site-specific and be reported as a specific amount rather than a dollar range. Estimated costs should be based on the cleanup plan, assuming current technology and current cost.
   ICE should use recognized estimation techniques with consistency,

the estimates should be accurately documented including methodology, assumptions, cost parameters and other information necessary to make the estimate. Estimate should be based on site specific inspection and data and should be validated against historical costs whenever possible.

A contingency factor is used in an estimate to cover costs for unknown or unforeseen conditions that may increase costs during the project. This is particularly important for environmental projects since unforeseen conditions are likely. A contingency factor should be included in each stage of the project. A contingency factor is expressed as a percentage that depends on many factors including the complexity of the work, size of the project, remediation phase (e.g., preliminary assessment, investigation, feasibility, or corrective measures study), project location, historical costs, and degree of uncertainties involved.

To maintain an accurate current estimate of the environmental liabilities, project managers must review and re-evaluate every project at least annually for material change.

Reasons for changes may include changes to the project scope, regulations or legal action, technologies, natural disaster, adverse weather, inflation, and account for work completed. If a material change is found, it must be fully documented, and the estimate revised. If no material changes have occurred since the last estimate, an index factor must be applied to adjust for inflation.

The cumulative effect of changes in total estimated cleanup costs related to current and past operations must be recognized as expense, and the liability adjusted in the period of the change in estimate. For stewardship PP&E, the change in estimate must be expensed for the incremental costs identified in the re-estimate.

In the rare instance when site-specific environmental liability estimates are not prepared, for reasons of the probable or reasonably estimated test or other reason, the project manager should document the rationale for not doing so, including the nature of the environmental damage; and an estimate of the possible liability, an estimate of the range of the possible liability, or statement that such an estimate cannot be made. Refer to the OAFM Environmental Financial Liabilities (EFL) SOP for more information on environmental liability estimates.

d. Reporting for environmental liabilities (for financial statement purposes) falls into three categories:

1) *Probable and reasonably estimable* – Liabilities classified as probable and reasonably estimable must be recognized in the accounting systems and reported on the consolidated balance sheet.

2) *Probable and not reasonably estimable* – Liabilities classified as probable and not reasonably estimable are disclosed in the footnotes to the financial statements.

3) *Remote liabilities* – Liabilities are remote if they do not meet the probability criteria and have little or no chance of a payment being required in the future. Liabilities reported as remote, whether estimable or not estimable, are not included in the statements and are not required to be disclosed in the footnotes.

   In addition to the above reporting requirements, the following disclosure requirements must be met:

   a) The sources, applicable laws, and regulations of cleanup requirements.

   b) The method for assigning estimated total cleanup costs to current operating periods (e.g., physical capacity versus passage of time).

   c) For cleanup cost associated with general PP&E, the unrecognized portion of estimated total cleanup costs (e.g., the estimated total cleanup costs less the cumulative amounts charged to expense at the balance sheet date).

   d) Material changes in total estimated cleanup costs due to changes in laws, technology, or plans are disclosed. In addition, the portion of the change in estimate that relates to prior period operations is disclosed.

   e) The nature of estimates and the disclosure of information regarding possible changes due to inflation, deflation, technology, or applicable laws and regulations.

   The documentation must allow for each ICE project to be tracked from the aggregate estimate back through the project and vice versa.

1-7. Other Liabilities

All other liabilities that have not been defined elsewhere in the ICE FMPM should be disclosed in the financial statements. The principles of materiality and full disclosure should govern the inclusion of such liabilities. The nature of each liability should be identified and reported, either by a footnote to the financial statements or by recording an amount in a liability account, if the potential amount due can be estimated.

Procedures

ICE has developed and implemented procedures and internal controls to comply with this policy. For more information, refer to OFM's Financial Reporting SOP.

Authorities and References

Authorities

American Institute of Certified Public Accountants, Statements on Standards for Attestation Engagements No. 18, *Clarification and Recodification*

FASAB, SFFAS No. 1, *Accounting for Selected Assets and Liabilities*

FASAB, SFFAS No. 5, *Accounting for Liabilities of the Federal Government*

FASAB, SFFAS No. 6, *Accounting for Property, Plant, and Equipment*

FASAB, SFFAS No. 33, *Pensions, Other Benefits, and Other Postemployment Benefits: Reporting the Gains and Losses from Changes in Assumptions and Selecting Discount Rates and Valuation Dates*

OMB Circular A-136, *Financial Reporting Requirements* revised

References

DHS *Component Requirements Guide for Financial Reporting*

OMB Circular A-11 Section 20: Terms and Concepts

FASAB Technical Bulletin 2006-1, *Recognition and Measurement of Asbestos- Related Cleanup Costs*

FASAB Technical Bulletin 2009-1, *Deferral of the Effective Date of Technical Bulletin 2006-1*

FASAB Technical Release 002, *Determining Probable and Reasonably Estimable for Environmental Liabilities in the Federal Government*

United States Environmental Protection Agency, *Laws and Regulations*

DHS Guidance Manual, DHS Environmental Liabilities

OFM Financial Reporting Standard Operating Procedures

Glossary

The following tables contain definitions of the acronyms and terms used in this policy.

Acronym	Definition
CERCLA	Comprehensive Environmental Response Compensation and Liability Act
CFO	Chief Financial Officer
CRG	Component Requirements Guide
DHS	Department of Homeland Security
DOL	Department of Labor
EFL	Environmental Financial Liabilities
EPA	Environmental Protection Agency
FASAB	Federal Accounting Standards Advisory Board
FECA	Federal Employees' Compensation Act
FEVB	Federal Employees & Veterans Benefits
FMPM	Financial Management Policy Manual
ICE	Immigration & Customs Enforcement
O&M	Operation and Maintenance
OPM	Office of Personnel Management
PP&E	Property, Plant and Equipment
RCRA	Resource Conservation and Recovery Act
SOP	Standard Operating Procedures

Term	Definition
Cleanup Costs	The costs of removing, containing, and/or disposing of (1) hazardous waste from property, or (2) material and/or property that consists of hazardous waste at permanent or temporary closure or shutdown of associated PP&E. Cleanup may also include, but is not limited to, decontamination, decommissioning, site restoration, site monitoring, closure, and post closure costs.
Due Care	A reasonable effort to identify the presence or likely presence of contamination. Due care is considered to be exercised if an Agency has effective policies and procedures in place to routinely attempt to identify contamination and forward that information to the responsible agency official.
Environmental Liability	The cleanup costs of removing, containing, and/or disposing of (1) hazardous waste from property or (2) material and/or property that consists of hazardous waste when permanently or temporarily closing or shutting down associated property, plant, and equipment.
Exchange Transaction	A transaction that arises when each party to the transaction sacrifices value and receives value in return.
Friable	This refers to any material containing more than one percent asbestos that, when dry, can be crumbled, pulverized, or reduced to powder by hand pressure.
Government-Acknowledged Events	Events that are not a liability in themselves but are those events that are "of financial consequence" to the federal government because the government chooses to respond to the event.
Government- Related Events	Nontransaction-based events that involve interaction between federal entities and their environment.
Hazardous Waste	A solid, liquid, or gaseous waste, or combination of these wastes, which because of its quantity, concentration, or physical, chemical, or infectious characteristics may cause or significantly contribute to an increase in mortality or an increase in serious irreversible, or incapacitating reversible, illness or pose a substantial present or potential hazard to human health or the environment when improperly treated, stored, transported, disposed of, or otherwise managed.

Liability	A probable future outflow of resources due to a past governmental transaction or event.
Liabilities Covered by Budgetary Resources	Liabilities incurred that will be covered by available budgetary resources encompassing not only new budget authority but also other resources available to cover liabilities for specified purposes in a given year.
Liabilities Not Covered by Budgetary Resources	Liabilities incurred for which revenues or other sources of funds necessary to pay the liabilities have not been made available through congressional appropriations or current earnings of the reporting entity.
Measurable	Can be determined with reasonable certainty or is reasonably estimable.
Non-Exchange Transactions	A transaction that arises when one party to a transaction receives value without giving or promising value without receiving value in return.
Nonfriable	This refers to any material containing more than one percent asbestos that, when dry, cannot be crumbled, pulverized, or reduced to powder by hand pressure.
Probable	That which can reasonably be expected or believed to more likely than not on the basis of available evidence or logic, but which is neither certain nor proven.
Recognition	Recording a dollar amount in the general ledger and reporting that amount in the financial statements.
Site	A PP&E activity, asset, or facility, either currently or previously used by an ICE office where contamination has occurred. Each environmental site is separately identifiable.
Stewardship PP&E	Property Plant and Equipment owned by the Federal Government including Heritage Assets and Stewardship Land. Heritage Assets are assets possessing historical or natural significance; cultural, educational, or artistic importance; or significant architectural characteristics. Stewardship Land is land that is owned by the Federal Government and not acquired for or in connection with items of general PP&E.
Useful Life	The estimated number of years over which an asset is expected to be useful. The life of an asset is affected by factors such as physical wear and tear and changes in technology, such as obsolescence.

Summary of Changes

Revision Type: Technical

Revision Date: January 11, 2022

Changes:

- Updated the language in the Procedures and Internal Controls section and added link to OFM's Financial Reporting SOP [*Procedures and Internal Controls*]

- Updated link and reference to OMB Circular A-11, as well as added language to reference the applicable section within (OMB Circular A-11, Section 20: Terms and Concepts) [*Section 1-3 & Authorities and References*]

- Updated link to OMB Circular A-136 to reference the most recent revision of the guidance [*Authorities and References*]

- Updated links to FASAB resources as needed to fix broken/outdated links and ensure the most recent version of the guidance is referenced [*Authorities and References*]

- Updated policy throughout to align with the ICE FMPM Style Guide