

Dear Contractor,

In June, you received from us a request to report expenditures you would accrue but not bill to BPA by June 30, 2005. Your response enabled us to complete our simulated fiscal year end closing of our financial records. The time has come to collect accrual estimates for our official year-end close activity, for the fiscal year ending September 26, 2005.

Note the change of date: this year, BPA must close its books on **September 26** rather than September 30 to allow adequate time for processing.

With this letter, you should find attached a form listing all of the active contracts your organization has with BPA for which you have been identified as the accrual contact person. For each contract you have with BPA, please provide an estimate of the costs you will incur but not bill to BPA by September 26, 2005. If you did not receive a form listing your contracts, please contact Patty Baltazar at psbaltazar@bpa.gov at 503-230-4760 or Steve Cramer at smcramer@bpa.gov or 503-230-3437. If any contract is missing, please add it to the form and report an accrual estimate for it. Please note and amend any incorrect information on the form.

To accurately capture FY 2005 Fish & Wildlife Program costs, please include all contract work and expenses that meet the following criteria:

1. There must have been actual contract performance (services rendered or goods received) in FY 2005 or earlier (prior to September 26, 2005). If you ordered goods before September 26, but anticipate that they will not be received until after September 26, these are costs of FY 2006, not FY 2005.
2. The invoice for the contract performance in question will not be received by BPA prior to the close of business on September 26, 2005.

Note that **both** of the above criteria must be met before an accrual may be processed for unbilled contract performance. If either of the above criteria is not true, then an accrual should be reported as \$0. Do not leave the accrual estimate form blank for any contract. If you have determined the contract does not belong to your organization, please note this on the form.

How to Account for Unbilled June Accrual Costs: If you have costs from the June accrual estimate that have not been billed to BPA by September 26, please include those costs in the September 30 accrual estimate.

How to Account for September 2005 Invoices/Costs: Do not double count expenses by including costs in the accrual estimate that have already been or will be billed to BPA before September 26, 2005, or expenses for work or goods expected to take place or be received after September 26. To help you determine which invoices BPA has received and paid, you may refer to the Contract Running Balance Report for your contract at: http://www.efw.bpa.gov/reports/vendor_contract_list.aspx

How to Account for Subcontract and Overhead Costs: Please include in your accrual estimate any indirect costs and any subcontractor costs that will be incurred but not billed before September 26, 2005.

How to Account for Charges on Separate Invoices: 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. The performance period for an invoice is the period of time when the invoiced work is performed or when goods will be received. For example, if you anticipate submitting an invoice for the month of August 2005 and an invoice for September 2005, list each of these performance periods and the corresponding estimate of the invoice amount. Accurately indicating the performance period will allow BPA to match the accrual estimate to the actual invoice when it is submitted.

How to Invoice for Costs Recorded in this Accrual Activity: After you submit your accrual estimate, BPA will track your invoices against your reported accrual. To help us match the actual invoice to the accrual estimate for invoices received after September 26, 2005, please indicate on the invoice or transmittal letter the portion of the invoiced expenses that relate to work performed or costs incurred prior to September 26, 2005.

Accrual estimates must be received by BPA via mail or fax no later than September 16, 2005.

You may mail your signed, completed accrual estimate form to:

Bonneville Power Administration,
ATTN: KEWB-4/Accrual Estimates
P.O. Box 3621
Portland, OR 97208-3621

Or, you may fax your signed, completed accrual estimate form to:

Bonneville Power Administration,
ATTN: KEWB-4/Accrual Estimates
(503) 230-3049 (Fax)

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.

If you are unclear about what should and should not be included in your accrual estimate, please refer to the more detailed instructions, attached. Your attention to detail and cooperation is essential and appreciated. Thank you for your participation.

Sincerely,
Gregory J. Dondlinger, Acting Manager
EF&W Business Operations Support