State of Oregon
DEQ Department of Environmental Quality

DEQ Certificate of Financial Responsibility

Chief Financial Officer Agreement form

I am the (dropdown box: “Choose an item: (chief financial officer | general partner | Proprietor of a sole proprietorship | authorized representative)”) of (text box: “name of facility or grantor”)

This letter is in support of the use of (dropdown box: “Choose an item: (the financial test of self-insurance | the financial test of a guarantee’s self-insurance)”) to demonstrate financial responsibility for costs and damages of pollution claims and the unlawful spill or release of oil, liquid fuel or hazardous material to the waters, lands or air of the state of Oregon in the amount of at least (insert text box: “dollar amount”).[1]

The following facility is covered by this financial test by the (dropdown box: (guarantor | owner | operator):

(insert text box: “click here to enter the name and address of the facility, and the name of the owner(s) or operator(s)”)

(insert text box: “name of facility”) is the (insert dropbox: (“owner or operator of the facilities described in the application. | owner of the oil, liquid fuel or hazardous material”)).

This (insert dropbox: (“regulated entity | guarantor”)) has not received an adverse opinion, a disclaimer of opinion, or a “going concern” qualification from an independent auditor on their financial statements for the latest completed fiscal year.

The financial test we will use to determine proof of self-insurance is (only provide financial information for one test):

(check box) Test I

(check box) Test II

[1] Calculation of financial responsibility is defined in OAR 340-300-0009

Test I:

1.	Ratio of total liabilities to net worth – enter the following from current audited financial statements: (please indicate in the financial statements where these figures are located, either by highlighting or placing a check mark.)	
a.	Total liabilities	$_____
b.	Net worth (equity)	$_____
c.	Total liabilities divided by net worth (1a divided by 1b; must be less than 1.5)	
2.	Ratio of cash flows to total liabilities	
a.	Cash and cash equivalents at year or quarter end	$_____ _
b.	$20,000,000	$20,000,000
c.	Sum of cash and cash equivalents minus $20,000,000 (2a minus 2b)	$_____
d.	Total liabilities	$_____
e.	Sum of cash and cash equivalents minus $20,000,000 divided by total liabilities (2c divided by 2d; must be greater than 0.1)	$_____
3.	Worldwide owner's equity minus intangible assets (i.e. tangible net worth) greater than $20,000,000 plus the two times the amount of required self-insurance	
a.	Worldwide owner's equity	$_____
b.	Minus intangible assets	$_____
c.	Total worldwide owner's equity minus intangible assets (i.e. tangible net worth) (3a minus 3b)	$_____
d.	Two times the required amount of self-insurance	$_____
e.	$20,000,000	$20,000,000
f.	Total of two times the required amount of self-insurance plus $20,000,000 (3d plus 3e)	$_____
g.	Tangible net worth minus two times the required amount of self-insurance plus $20,000,000	$_____
4.	United States assets, not including assets that are petroleum inventory that may be affected by an oil spill from a facility covered by the self-insurance, equal to or greater than 90 percent of total assets or at least two times the amount of required self-insurance	
a.	Amount of total assets located in the United States (Please submit a separate auditor's statement to support this number if total assets located in the United States is a different value than total assets in the annual audited financial statements or Form 10K as filed with the United States Securities and Exchange Commission.)	$_____

b.	Amount of petroleum inventory	$_____
c.	Total US assets less petroleum inventory (4a minus 4b)	$_____
d.	Total assets	$_____
e.	Total US assets less petroleum inventory divided by total assets (must be over 90%) (4c divided by 4 d) (OR f)	$_____
f.	Total US assets less petroleum inventory (4a minus 4b)	$_____
g.	Two times the amount of required self-insurance	$_____
h.	Total US assets less petroleum inventory minus two times the amount of required self-insurance (4f minus g; must be positive)	$_____

Test II

1.	Current credit rating (BBB- stable or better from Standard and Poor's, Baa or better by Moody's, or commercial paper rate of A1, A2 or the equivalent) (Please attach a copy of the/your most recent rating letter)	
2.	Worldwide owner's equity minus intangible assets (i.e. tangible net worth) greater than $20,000,000 plus two times the amount of required self-insurance	
a.	Worldwide owner's equity	$_____
b.	Minus intangible assets	$_____
c.	Total worldwide owner's equity minus intangible assets (i.e. tangible net worth) (2a minus 2b)	$_____
d.	Two times the amount of required self-insurance	$_____
e.	$20,000,000	$20,000,000
f.	Two times the total amount of required self-insurance plus $20,000,000 (2d plus 2e)	$_____
g.	Tangible net worth minus two times the amount of required self-insurance plus $20,000,000 (2c minus 2f)	$_____
3.	United States assets, not including assets that are petroleum inventory that may be affected by an oil spill from a facility covered by the self-insurance, equal to or greater than 90 percent of total assets or at least two times the amount of required self-insurance.	
a.	Amount of total assets located in the United States (Please submit a separate auditor's statement to support this number if total assets located in the United States is a different value than total assets in the annual audited financial statements or Form 10K as filed with the United States Securities and Exchange Commission.)	$_____
b.	Amount of petroleum inventory	$_____
c.	Total US assets less petroleum inventory (3a minus 3b)	$_____
d.	Total assets	$_____
e.	Total US assets less petroleum inventory divided by total assets (must be over 90%) (3c divided by 3d) (OR f)	$_____
f.	Total US assets less petroleum inventory (3a minus 3b)	$_____
g.	Two times the amount of required self-insurance	$_____
h.	Total US assets less petroleum inventory minus two times the amount of required self-insurance (3f minus 3g; must be positive)	$_____

I understand that DEQ must be notified of a significant change that affects our company's proof of financial responsibility within seven calendar days after becoming aware of such change. Significant changes include, but are not limited to:

A change in ownership or operational control;

A method of demonstrating financial responsibility will be terminated or any coverage thereunder will cease;

The financial responsibility coverage amount must be changed or adjusted;

Our company fails to meet the self-insurance test criteria.

I hereby certify that the wording of this letter is identical to the wording provided in DEQ's COFR Chief Financial Officer Letter Agreement Form on the date shown immediately below.

(insert date box)

(insert signature box: "Authorized Signature") (Insert date box)

(Insert text box: "Print Name")

(insert text box: "Title")

(insert signature box: "Authorized Signature") (Insert date box)

(Insert text box: "Print Name")

(insert text box: "Title")

Submitting Party Information

Company name: _____

Contact name: _____

Phone Number: _____ Fax Number (if applicable): _____

Email: _____

Address: _____

City: _____ State: _____ ZIP: _____

Responsible Party Information

Company name: _____

Contact name: _____

Phone Number: _____ Fax Number (if applicable): _____

Email: _____

Address: _____

City: _____ State: _____ ZIP: _____

Non-discrimination statement

DEQ does not discriminate on the basis of race, color, national origin, disability, age, sex, religion, sexual orientation, gender identity, or marital status in the administration of its programs and activities. For translations or alternate formats, visit DEQ's Civil Rights and Environmental Justice page.