

Proposed Account Definition Changes to Distinguish Contingent Liabilities From EDL/Cleanup Cost Liabilities

Account Title: Contingent Liabilities

Account Number: 292000

Normal Balance: Credit

Definition: This account is used to record the amount of liability recognized as a result of past events [or exchange transactions in which](#) ~~where~~ a future outflow or other sacrifice of resources is both probable and measurable. [Pending/threatened litigation and unasserted claims, administrative or judicial proceedings, lawsuits, and/or other legal actions filed against a federal entity that could ultimately result in settlements or decisions adverse to the federal government should be reported in this account.](#) This account does not close at year-end. ~~Record a~~ Contingent liabilities related to environmental cleanup costs [rather than legal actions are reported](#) in USSGL 299500, "Estimated Cleanup Cost Liability." ~~Record the~~ Estimated losses arising from adverse events expected during a coverage period of Exchange Transaction Insurance Programs Other Than Life Insurance [are reported](#) in USSGL 266000, "Actuarial Liabilities for Federal Insurance and Guarantee Programs."

Account Title: Estimated Cleanup Cost Liability

Account Number: 299500

Normal Balance: Credit

Definition: This account is used to record the estimated amount of liability for projected future cleanup costs (not yet due and payable) [directly related to the storage and disposal of hazardous material as well as the operations and closures of facilities at which environmental contamination may be present.](#) [Cleanup costs arise from the removal, storage, and/or disposal of \(1\) hazardous waste from property, or \(2\) material and/or property consisting of hazardous waste, at permanent or temporary closure or shutdown of the associated property, plant, and equipment.](#) [Estimated cleanup costs that are part of pending/threatened litigation, unasserted claims, administrative or judicial proceedings, lawsuits, and/or other legal actions are reported in USSGL 292000, "Contingent Liabilities".](#) This account does not close at year-end.