



Guidance Document

Financial Test for Operation and Maintenance for the State of Tennessee's Division of Remediation

Before submitting a Financial Test in fulfillment of the requirements of Tennessee Rule 0400-15-01-.12(3), please review the checklist below.

Checklist

- The company or guarantor should submit all required documents within ninety (90) days of the end of the company's or guarantor's most recently completed fiscal year unless an extension is approved by the Commissioner of the Department of Environment and Conservation.
- All financial test documents should use the language provided by the department. If you have concerns or need clarification about a specific provision, please contact the Division of Financial Responsibility.
- A complete financial test submission consists of:
 1. a signed CFO letter
 2. a copy of the company's audited financial statements for the latest completed fiscal year
 3. a copy of the independent certified public accountant's report on examination of the financial statements. The report shall be unqualified or, if qualified, such qualification shall have been approved in writing by TDEC
 4. a report from an independent certified public accountant attesting to compliance with the financial conditions and measures set forth in the regulation that states that:

a. the auditor has compared the data which the letter from the chief financial officer specifies as having been derived from the independently audited, year-end financial statements for the latest fiscal year with the amounts in such financial statements; and,

b. In connection with the procedure, no matters came to the auditor's attention which caused the auditor to believe that the specified data should be adjusted.

For examples of previously accepted reports, please contact the Division of Financial Responsibility.

- The Commissioner may, based on a reasonable belief that the owner or operator may no longer meet the requirements of the financial test, request reports of financial condition from the owner or operator. If the Commissioner finds, on the basis of such reports or other information, that the owner or operator no longer meets these requirements, the owner or operator must provide alternate financial within 30 days after notification of such a finding.

A note on financial tests submitted for companies permitted by multiple TDEC divisions:

If your company is permitted by multiple TDEC divisions, please contact the Division of Financial Responsibility to ensure that you submit a financial test using language appropriate for the circumstances.

Note: *This checklist is provided only as a convenience in order to address some of the more common issues that we encounter when reviewing financial instruments. It is not intended as a complete representation of all applicable regulatory requirements. Please consult with your legal counsel and the TDEC Division of Financial Responsibility before submitting a financial instrument.*