**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.