Office of Natural Resources Revenue

Form CMP-2014
Frequently Asked Questions

This document contains important facts for Industry members who submit compliance activity royalty reports under a CMP-2014.

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1. Why is the Form CMP-2014 so important, and what is the importance of ARC 17?

- Form CMP-2014 allows ONRR's Audit and Compliance Offices (ACM) and our State and Tribal Audit Partners (State and Tribal) an opportunity to review your royalty lines before you submit them. This review reduces incorrect reporting and saves time and rework by Industry and ONRR!

- Industry can submit a CMP-2014 applicable to oil, gas and/or geothermal royalties at any time. It does not have to accompany the standard monthly reports normally submitted at the end of the month.

- The CMP-2014 helps ensure that you use the ONRR Compliance-generated PAD/UFI for reporting and compliance tracking purposes, so ONRR can match the report with your compliance activities.

- Using Adjustment Reason Code (ARC) 17 identifies royalty reports as being related to Audit Compliance Management (ACM) or State and/or Tribal compliance efforts.

  Notes: If you use Code ARC 17 on a regular ONRR-2014, it will be rejected by ONRR's financial system.

  If you submit ONRR-requested adjustments using ARC 10 on a regular ONRR-2014, the report will be considered incorrect—you need to reverse the ARC 10 lines and resubmit the adjustments on a Form CMP-2014.

- If you fail to report any compliance activity using a Form CMP-2014, your Analyst/Auditor will forward the case to ONRR's Office of Enforcement.

2. What do I do prior to requesting a release of the CMP-2014 to ONRR?

- Ensure that you use the ONRR-assigned UFI/PAD number. If not, ONRR **WILL** reject your report, which could impact the timeliness of your reporting.

- When you make adjustments to previously reported lines, ensure that you first reverse your originally reported line(s). Each reversal line should be the exact opposite of an original submitted line that ONRR requested a correction for.

- Use ARC 17 both for reversing previously reported lines as well as for submitting new lines on the CMP-2014.

- Be sure you verify the Payment Method.

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3. What if I receive a CMP-2014 for State and Tribal compliance work?

- Just as in working with ACM, you **MUST** use the correct PAD number provided to you by your Auditor.

- You **MUST** notify the State and Tribal Auditor when you submit a CMP-2014.
    - Be sure to include both the Report ID and PAD number.

- Because State and Tribal Auditors do <u>not</u> have access to eCommerce or the CMP, the Report ID and PAD number are critical so they can request your CMP-2014 from ONRR.

- State and Tribal Auditors will receive your CMP-2014 submission from ONRR for review. ONRR will either accept or reject a CMP-2014, based on State or Tribal guidance. Industry can see this process through the CMP-2014 eCommerce.

4. What if I cannot edit a CMP-2014 Report ID?

- If you are ready to submit reporting corrections, and if ONRR already created an initial CMP-2014 for you, you should be able to select the **Edit** button associated with the ONRR-generated CMP-2014. If the **Edit** button is greyed out, please contact your case Analyst/Auditor and request that the CMP-2014 be "Unlocked."

5. What if I cannot upload a .csv file?

- If you are ready to submit reporting corrections, and if ONRR has created an initial CMP-2014 for you, make sure the **Edit** button is not greyed out. If it is, the report is locked, and you need to contact your ONRR case Analyst/Auditor to unlock it.

    - If ONRR has locked your CMP-2014, the Error Message will be "Unable to overwrite the CMP document at this time," and the Upload History will show a status of "Error."

- Make sure you use "Upload to existing report," and that you provide your ONRR-assigned Report ID.

- You can upload a report as many times as necessary—there is no need to create a new report. The process of uploading a .csv file does not affect the report until the upload status is "Complete."

- Please remember that if there is an override status of "Pending," "Approved" or "Denied," you must first "Unlock" the Override prior to uploading a new .csv. This is especially important if a "Partial Acceptance" has occurred.

- If the report is unlocked and you continue to have trouble uploading a .csv, please

contact your Royalty Error Correction contact.

6. *What if I am concerned about the payment method shown?*

- o You need to verify the code used in the "Payment Method" column located at the far right side of the report.

- o Payment Method "03" is the default. You should report and pay using the same Payment Method used for your regular 2014 reporting.

- o The **Field Help** button provides a list of Payment Method Codes.

7. *What if I cannot release/submit a Report ID?*

- o You must first "Validate" the report.

- o The "Validation Results" pop-up screen will list any errors. Errors can be anything that did not pass the upfront edits.

    Note: The pop-up screen may display behind the open eCommerce page. Minimize the page to view the pop-up.

- o You must address all items listed before you release and submit the report. The line with the error either must be corrected, or the line must have an approved Override.

8. *What if one or all of my lines reject when I submit my report?*

- o A field on your reported line(s) may need to be corrected. If you determine that all the fields are accurate for your line(s) as submitted, you can request an override by selecting the **Request Override** button and following the instructions. Make sure you provide your contact information in the description.

- o The override request will go to ONRR's Royalty Error Correction analyst for processing. ONRR may contact you for verification and/or additional documentation. The override status in eCommerce will indicate "Pending."

- o After ONRR has reviewed the override request, the override status will change to "Approved" or "Denied." Overrides are usually reviewed and processed within two business days.

- o If "Approved," you can submit the report. Do not attempt to make any changes to the report after the override is approved. If you do, the report may become corrupted and you will have to start over. If you want to make changes, you need to "Unlock" the overrides on the report, then start the override process again after you make changes.

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o If "Denied," you have to correct any errors and revalidate the report. You need to "Unlock" the override before making any necessary changes. Otherwise, the report may become corrupted and you will have to start over.

9. *What if I release a report, but my Analyst/Auditor cannot see it in the "Release Page"?*

   o Releasing a report for review when submitting a CMP-2014 is a two-step process. Make sure you select both the **Request Release** button **and**, on the next screen, select the **Submit** button.

   o Please note that the **Submit** button is on a separate page. It may open a pop-up behind the eCommerce page. If so, minimize your report in order to view the **Submit** pop-up. You will have successfully submitted the report if eCommerce returns you to the document list screen.

10. *How do I delete a report?*

    o If you created the CMP-2014, you need to delete the report. ONRR cannot delete any Payor-created report for you.

11. *What happens if my CMP-2014 shows "Partial Acceptance"?*

    o In that case, the lines ONRR rejected remain on the original report, and the report stays in "Open" status.

    o The lines that ONRR accepted are on a new Report ID with a status of "Sent."

    o Be aware that a "Partial Acceptance" may create a net-negative report balance situation, and that a net-negative report balance is acceptable for Federal reports.

    o A net-negative report balance is not allowed for Indian reports unless accompanied by a TC 50. Monitor the Statement of Account and ensure the receivables are correct.

12. *What do I need to address specifically for Indian properties?*

    o Net-Negatives – See item 13.

    o T/C 50/51 – See item 13.

    o Verify Payment Method Code – See item 6.

13. *Transaction Code 50 (Indian Recoupable Balance) can be submitted on the CMP-2014.*

    o You may use the CMP-2014 to establish a recoupable balance (TC50). You can

submit the actual recoupment (TC51) on the CMP-2014 for the first month you are recouping. You must use a regular Form ONRR-2014 for future actual recoupment TC51 lines.

- o You cannot submit nor can ONRR approve an Indian CMP-2014 if the lease is Net Negative. Remember that you must establish a TC 50 if this is the case.

14. What Payor Code do I use if the property was acquired since the original line was reported?

- o The new payor should use their own assigned payor code for both the reversal lines and the corrected line.

15. How is the Order CMP-2014 status different?

- o As soon as ONRR converts the CMP-2014 from an "Issue" to an "Order" CMP, your ONRR Analyst/Auditor should notify you that the CMP is available.

- o Your receipt of the Order Letter—*not* your receipt of the Order CMP notification—is the key for you to determine enforcement dates.

16. How do I make sure the Receivable for my CMP-2014 is accurate?

- o **For Orders:** It is a mandatory requirement that you use the ONRR-assigned Report ID and UFI/PAD. ONRR will not approve a Report if you submit a different report ID or use a different UFI/PAD. Negative consequences may occur for duplicating the receivable and/or having an erroneous debt collection/treasury referral.

- o **For Issues:** The receivables generated will match the accepted total on the specific CMP-2014 report ID.

- o You can use the Statement of Account as a tool to monitor account receivables and the payments submitted.

17. The Debt Collection Process

- o ONRR will convert the CMP-2014 from "Issue" to "Order" status within 24 hours of issuing the Order letter, which generates a receivable in ONRR's financial system.

- o For Federal oil and gas, RSFA requires that a payor with an open receivable receive two notifications of a potential referral for debt collection. The first Potential Treasury referral letter is sent 10 days after the CMP-2014 is converted into an Order. Unless the receivable is paid (or appealed), the second Potential Treasury referral letter is sent at the 30-day point.

- o Since RSFA does not apply to Indian oil and gas leases, solid mineral leases, or geothermal leases, Payors with an open Indian receivable will only receive one

notification letter at the 30-day point.

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Additional Resources

1. To identify your assigned Royalty Reporting and Error Correction contact, open:
   http://onrr.gov/ReportPay/PDFDocs/royassign.pdf

2. To open a current Edit Listing, to explain errors are received during validation:

   a. Open http://www.onrr.gov/ReportPay/royalty-reporting.htm.

   b. In the **Forms** section, under **Royalty Reporting**, under Form ONRR-2014, select "Form ONRR-2014 – Complete List of Edits."

3. For introductory information regarding Form CMP-2014, read the Reporter Letter dated November 6, 2014, Subject: CMP-2014 Electronic Reporting Requirement: http://onrr.gov/PDFDocs/20141106.pdf