Introduction: Who Needs to Report, Why, and When

Who has to submit a SEP Quarterly Report?
You must send the SEP Quarterly Report (QR) form if a) you have a current SEP Agreement with TCEQ; and b) you received at least one SEP contribution. You must still report each quarter if your organization has no SEP Fund balance; if you have no SEP Fund balance, you may instead submit an email to sepreports@tceq.texas.gov with a copy to sharon.blue@tceq.texas.gov and state that your organization has no SEP Fund balance. If your project involves a water quality media, you may also send a copy of the report to sarah.miller@tceq.texas.gov. Failure to timely submit the QR may result in your organization becoming ineligible for future SEP Funds. Refer to the form for the reporting schedule. Contact the SEP program at sepreports@tceq.texas.gov to get the form.

Purpose
The QR is used by TCEQ staff to:
- Obtain an accurate and consistent record of project performance;
- Identify whether SEP payments have been made;
- Identify budget needs for various projects;
- Determine whether SEP Funds are being spent timely;
- Ensure that expenditures made are allowable under SEP Agreements; and
- Verify that SEP Funds are not being commingled with non-SEP funds.
What’s My Goal?

Your goal for this QR is for the end balance of the quarterly information you enter in the QR to match the end balance of the bank statement. To check this, enter your information in the worksheets included in the QR.

How Does the Financial Section Work?

Itemization and Bundling
Beginning in 2013, SEP Third-Party Administrators are not required in the QR to itemize each expense by docket; however, the docket number will need to be entered for each deposit. You can find Docket Numbers on the TCEQ website at http://www2.tceq.texas.gov/epic/eenf. For contributions received before 2012, if you do not know the docket numbers for the contributions with a remaining balance, you may bundle those contributions and refer to that amount as “Contribs<2012”. If you have pre-2012 interest, you may bundle that interest and refer to it as “Interest<2012. You can enter the year-to-date interest earned in the correct year’s interest box in Section 3 of the Accounting worksheet, or you may leave the interest box blank if your account accrued no interest. Please note that you may later need to provide docket numbers for refunds or for remaining balances if the project is audited by TCEQ.

Bank Transaction Dates
Bank transaction dates are needed in the QR. If you don’t enter a bank date, your transaction will not be counted in the QR and your balance may not match the bank statement. Carefully check your QR before submitting to make sure you have entered dates accurately. If you wrote checks during a quarter, but the check has not cleared the bank you can enter the check information and the check date, and leave the bank date blank until the check clears. This will ensure that your QR balance matches your bank statement balance.

FIFO
Contributions expire one year from the date you receive them, so contributions should be spent on a First In/First Out (FIFO) basis. Accordingly, the carryover balance that was in the SEP account as of January 1, 2012 (referred to as “Contribs<2012” and/or “Interest<2012”) should be spent first. If you had no money in the SEP account on January 1, 2012, leave the deposit amount boxes blank for both “Contribs<2012” and “Interest<2012.”

Security
Bank account numbers or social security numbers are considered Privacy Data protected by state and federal law. If your QR contains no Privacy Data you may submit the QR without encryption. If the attachments to your QR do contain Privacy Data, the attachments must be zipped in a folder and transmitted in an encrypted (password protected) format.

TCEQ does not recommend any specific zip software. There are free zip software programs available, such as 7zip. Follow the software provider’s instructions for encryption of sensitive documents before you send them to TCEQ. If you need assistance regarding encryption or have questions regarding which documents to protect, contact the SEP program at sepreports@tceq.texas.gov.
Let’s Begin!

**Instructions: Accounting Worksheet**

After you enter your contact and bank account information in the Accounting worksheet, proceed as follows.

**Instructions: Bank Section**
2. Enter the end of the quarter balance from your bank statement for the quarter being reported.

**Instructions: Financial Section**
3. Enter deposits in the Revenue side. Anything that increases the SEP account, for purposes of this worksheet, is considered revenue and gets entered on the left side. If you had SEP Funds in the bank as of January 1, 2012, you may use specific docket numbers to list the contributions or you can bundle and use the phrase “Contribs <2012”. You must itemize all deposits after January 1, 2012 by docket number.
4. Enter expenses in the Expenses side. Anything that decreases the SEP account is considered an expense and gets entered on the right side.

NOTE: The worksheet will recognize your expenses when you enter the bank transaction date; this will ensure that the QR balance matches the bank statement balance. You may still enter all checks written and include check dates; however, the worksheet will not calculate those entries into the QR balance until the check clears the bank. If your organization uses an internal accounting system or wire transfers you may enter the check date and bank transaction date as the same date.

**Instructions: Activity Report and Certification Section**

Instructions for the Activity Report Section are included within the form itself. For the Certification section, enter the report quarter and date, and certify the QR by signing with an Electronic signature.

**Instructions: Vehicle/Equipment Activities Worksheet**

This section will only be included in your QR if your project involves retrofit or replacement of vehicles or equipment. This worksheet is used to track the number and type of retrofits and replacements performed and the dollar amounts applied to these kinds of activities.

What you need: Supporting records showing the activity vehicles/equipment, receiving entity, financial documentation to support billing and payment related to the activity, and destruction records for each vehicle replacement activity during the report period.

What you do: Enter the action dates, receiving entity, number and type of activities, and dollar amounts. Refer to Figure 1.

Figure 1 Quarter 1 Detail Area for SEP-Funded Vehicle Activities
In the example shown in Figure 1, reimbursement was provided to Blueberry Hill Independent School District for two vehicle retrofits and 1 vehicle replacement in the first quarter of 2012. There were three types of retrofit actions performed on two vehicles. $1,200 was paid toward the retrofits, and $22,000 was paid toward the vehicle replacement. The replaced (old) vehicle has not yet been destroyed, so there is no date entered in the Old Vehicle Destruction Date column. Vehicle identification numbers are required to be entered on the QR and are shown in the example.

If you have difficulty with any section of the QR, contact TCEQ for assistance by phone at (512) 239-2223 or by electronic mail at sepreports@tceq.texas.gov.