Chapter 6 Value Adjustment

The P&R Value Adjustment Summary page gives you the ability to adjust dollar values on any previously submitted P&R report. The page displays a table to show a summary of all adjustments made in the current session, along with the corresponding net payment amount required because of this adjustment. The payment amount also serves as a link to the Value Adjustment Detail page for that particular adjustment.

If you click on the Create New Value Adjustment button, a table appears on the bottom of the screen. Enter information in this table to specify the Sales Month, Sales Point and Product for which to create a value adjustment.

The Populate Value Adjustment Page button opens the Value Adjustment Detail page for the selected Sales Month, Sales Point and Product. If no P&R formatted data exists for the specified criteria, the Value Adjustment Summary page reloads with a warning message indicating this error. You cannot create volume adjustments from this page.

Use this page to adjust dollar values for any previously submitted P&R. You cannot make volume adjustments on the Value Adjustment page. You must make volume adjustments on the independent Volume/Value Adjustment Report that is detailed in a later chapter.

The Value Adjustment Summary page displays a summary table of all adjustments made during the current adjustment session. The total royalty payment will be the net total payment, which could be negative.

The automated allocation tool is available for your use and will be detailed in a later chapter.

NOTE
If you attempt to enter a sales value adjustment for a lease/royalty rate combination that does not have sales volume associated to it, you will be required to submit a volume/value adjustment rather than a value adjustment.

6.1 Value Adjustment Steps

Follow the steps below to submit a Value Adjustment:
• After entering the Original P&R/Other Obligation/P&R Value Adjustment report type from the Mine Selection page, click on the Value adjustment tab.

• Select the month and year of the adjustment.

• Select the Sales Point, if there is more than one.

• Select the product, if there is more than one.

• Click on the **Create New Value Adjustment** button to go to the Value Adjustment Detail page.

### 6.2 Value Adjustment Detail Page

The bottom set of rows is the lease level data and is repeated for each lease associated with the mine being reported (see example below).

The Current Values are the net values of the original and any adjustments currently on the system for this lease. These could be positive or negative entries.

• Enter either the Allocation value differences or the Lease Level Value differences. Notice they are net differences (+/-).

• If these adjustments are required due to an ONRR or STRAC identified audit or compliance issue, change the Initiated default button from **Customer** to **ONRR**.

• Enter lease-level comments.

• Click on the **Calculate Royalty Due** button to determine the net Royalty Payment due for each lease.

• Click on the **Save Before Submitting** button to return to the Value Adjustment Summary page.
Here you can check the summary of any adjustments you have made during this session. If you want revise an adjustment to any previous adjustment available on the summary, select the same Sales Month/Year, Sales Point and Product combination, and click on the Create New Value Adjustment button.

If you want to make additional adjustments to other months, select a new Sales Month/Year, Sales Point and Product combination, and click on the Create New Value Adjustment button.

**EXAMPLE**

**Value Adjustment.** This example shows how to report and pay royalties for a value adjustment.

**Assumptions:**

- You had a gross proceeds difference of negative $2,000.00.
- You had an allowed transportation cost difference of negative $100.00.
- You had an allowed processing cost difference of a positive $200.00.
- This is customer initiated.

The screen print below shows a value adjustment data input example.
Once you have entered all required value adjustments, from the Value Adjustment Summary page, navigate to the Main Payment page to save, submit, or cancel your submission. (See Main Payment Page section of chapter 5 for more information.)