

Chapter 6

Value Adjustment

The P&R Value Adjustment Summary page gives you the ability to adjust 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 *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.

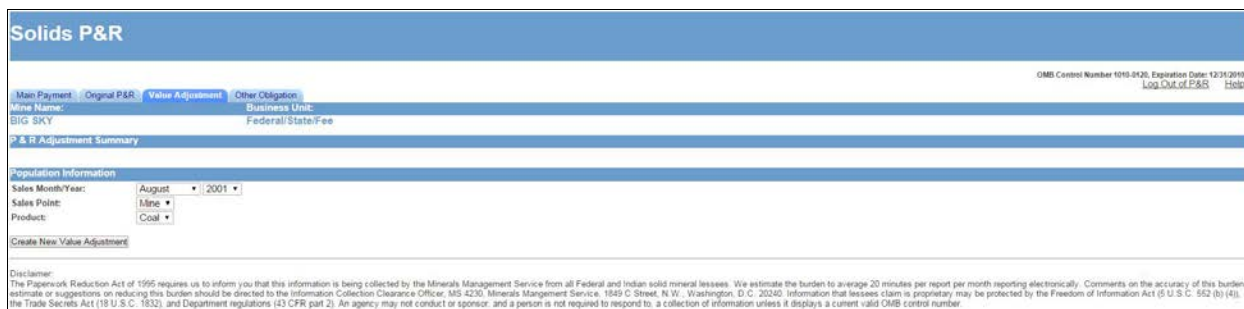
The automated allocation tool is available for your use and will be detailed in a later chapter.

6.1 Value Adjustment Steps

Follow the steps below to submit a Value Adjustment:

- Select Report Type – Original P&R/Other Obligation/P&R Value Adjustment.
- Click on the **Create Report** button. Click on the “Value Adjustment” tab to display Adjustment Summary screen.

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Now follow these steps:

- Select the month and year of the adjustment.
- Select the product, if there is more than one.
- Select the Sales Point, 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.

Solids P&R

OMB Control Number 1910-0126 Expiration Date: 12/31/2015
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Mine Name: SIG SKY Business Unit: Federal/State/Fee Sales Month/Year: August 2001 Sales Point: Mine Product: Coal

P & R Adjustment

Interest: Yes #No
 Interest Bearing Indicator: Yes #No
 Interest From Date: 8/31/2001
 Initiated By: MMS #Customer

Calculate Royalty Due Save Before Submitting Clear

Allocate New Values

Allocation Tool:

Total Gross Proceeds Difference: \$0 Total Allowed Transportation Cost Difference: \$0 Allocate Value
 Total Allowed Processing Cost Difference: \$0

Detail Lines

Lease Number: FEE BN-1 Land Class: FEE	Current Values	Royalty Rate/Fixed Rate: 0%	Value Differences
Gross Proceeds:	\$1,757,103.84	Gross Proceeds Difference:	\$0.00
Allowed Transportation Cost:	\$0.00	Allowed Transportation Cost Difference:	\$0.00
Allowed Processing Cost:	\$0.00	Allowed Processing Cost Difference:	\$0.00
Enter your comments here for the above lease:			Royalty Payment: \$0.00

Lease Number: MTM15965 Land Class: FED	Current Values	Royalty Rate/Fixed Rate: 12.5%	Value Differences
Gross Proceeds:	\$426,231.84	Gross Proceeds Difference:	\$0.00
Allowed Transportation Cost:	\$0.00	Allowed Transportation Cost Difference:	\$0.00
Allowed Processing Cost:	\$0.00	Allowed Processing Cost Difference:	\$0.00
Enter your comments here for the above lease:			Royalty Payment: \$0.00

NOTE

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.

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OMB Control Number 1010-0120, Expiration Date: 10/31/2007

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Mine Name	Business Unit	Sales Month/Year	Sales Point	Product
MARTIN COAL MINE	Federal/State/Fee	April, 2007	Mine	Coal

P & R Adjustment

Interest Bearing Indicator: Yes No

Interest From Date: Day: 31 Month: August Year: 2001

Initiated: MMS Customer

Calculate Royalty Due

Save Before Submitting

Allocate New Values

Total Gross Proceeds Difference: \$ 0 Total Allowed Transportation Cost: \$ 0

Total Allowed Processing Cost: \$ 0

Lease Number: MTM111112 Land Class: FED	Current Values	Royalty Rate/Fixed Rate: 4.00%	Value Differences
Gross Proceeds:	\$10,000.00	Gross Proceeds Difference:	\$-2,000.00
Allowed Transportation Cost:	\$200.00	Allowed Transportation Cost Difference:	\$-100.00
Allowed Processing Cost:	\$300.00	Allowed Processing Cost Difference:	\$200.00
		Royalty Payment:	\$-84.00

Enter your comments here for the above lease: