



POLLUTION PREVENTION FINANCIAL ANALYSIS SOFTWARE FACT SHEET

What is the Link Between Pollution Prevention and Financial Analysis?

Current industry accounting practices often overlook hidden and less tangible costs of waste generation. Moreover, they often do not assign some product/process costs (i.e., waste management, compliance monitoring, and energy costs, etc.) to the product/process responsible for generating them, but instead bury them in the "overhead" cost pool. This distorts the true cost of the product/process for businesses and prevents them from considering the full financial benefits offered by investments in pollution prevention technologies. A clearer inventory and allocation of product/process costs will help businesses to see the economic benefits to be gained from pollution prevention initiatives.

What is P2/FINANCE[®] Software?

P2/FINANCE[®] is a user friendly spreadsheet software program designed to guide companies in the data collection and analysis essential to a clearer financial evaluation of pollution prevention projects. P2/FINANCE is designed to complement a company's existing project evaluation practices while ensuring that prevention investments receive balanced and comprehensive treatment during the capital budgeting process. For companies or projects where no formal budgeting guidelines are in place, P2/FINANCE offers a valuable starting point for introducing a Total Cost Assessment (TCA) approach. The TCA approach differs from conventional practices in four key ways: a broader inventory of costs and savings, allocation of all costs and savings to specific process and product lines rather than to overhead accounts, expanded time horizons for the capture of long term benefits, and the use of profitability indicators which incorporate the time value of money.

What are the Software Outputs?

Users input their capital and operating costs for a current product/process and an alternative product/process, and the program outputs a fifteen year Cash Flow analysis and a Profitability Analysis Summary. The Profitability Analysis Summary uses three financial indicators: Net Present Value (NPV), Internal Rate of Return (IRR), and simple Payback. The time horizons used are 5, 10, and 15 years, as well as an additional year defined by the user.

What Is Needed to Use This Software?

Computer requirements include an IBM compatible computer capable of running either Microsoft Excel Version 4.0 for Windows or Lotus 1-2-3 (Version 3.1 or higher) for DOS. For ease of use, a 386 computer with a mouse and a color monitor is recommended. For printing the spreadsheets, a graphics printer such as an HP laserjet is necessary. P2/FINANCE is available on both 3.5 inch and 5.25 inch disks.

What Kind of User Assistance is Provided?

A manual comes with the software, complete with an in-depth example of one company's use of the program. A P2/FINANCE User Hotline (617-266-5400) is staffed 9:00 A.M. - 5:00 P.M. Monday through Friday by Tellus Institute.

P2/FINANCE Licensing Agreement

The U.S. Environmental Protection Agency has licensed P2/FINANCE from Tellus Institute to assist local, state, regional, and federal government in encouraging pollution prevention. By licensing this software program, the EPA is in no way endorsing it over any other available software tool, but is merely offering it to assist government users in identifying the financial benefits of pollution prevention. Local, state, regional, and federal agencies may reproduce the software and users manuals for their own use. Reproduction or dissemination outside such agencies is strictly prohibited.

P2/FINANCE ORDER FORM

HOW TO ORDER P2/FINANCE SOFTWARE: Check one of the following three categories and follow the directions.

_____ **GOVERNMENT OR BUSINESSES IN THE FOLLOWING STATES:** *Contact your State Directly:*

New Jersey: Deborah Milecofsky, NJ DEPE, Office of Pollution Prevention, 401 East State St., 2nd Floor East Wing, Trenton, NJ 08625-0402.
Tel: 609-777-0376.

Maine: Joyce Noel, Maine DEP, State House Station #17, Augusta, ME 04333.
Tel: 207-287-7822.

Massachusetts: Janet Clark, Massachusetts Toxics Use Reduction Institute, Univ. of Mass. at Lowell, North Campus, Pinanski Hall Room 303, Lowell, MA 01854. Tel: 508-934-3346.

_____ **FEDERAL, REGIONAL, STATE, AND LOCAL GOVERNMENT EMPLOYEES:**

1) Circle your government affiliation:

Federal Regional State Local

2) Name: _____

Organization: _____

Address: _____

City, State, Zip: _____

Telephone: _____ Fax number: _____

3) Circle the software version you need:

a) Microsoft Excel (Version 4.0 for Windows)

b) Lotus 1-2-3 (Version 3.1 or higher) for DOS

4) Circle the size disk you need:

a) 3.5" disk

b) 5.25" disk

Fax your order to: 202-260-0178

Mail your order to: EPA's Pollution Prevention Information Clearinghouse,
MC 3404, 401 M ST SW, Washington, D.C. 20460.

Cost Information: Available free of charge.

For more information: Call Pollution Prevention Information Clearinghouse,
202-260-1023.

_____ **OTHERS:** *Contact the Tellus Institute Directly:*

Address: Tellus Institute, 11 Arlington Street, Boston, MA, 02116-3411.

Phone: 617-266-5400.

Cost Information: Company licenses available for a fee.