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Bulletin

Title: Tracking Real Property Assets and Operations and
Maintenance Costs in the Corporate Property Automated
Information System

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This Bulletin provides
guidance pertaining to the
Corporate Property
Automated Information
System workflow for Real
Property Assets.

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1. Introduction

This Bulletin provides procedures for documentation and step-by-step Corporate Property Automated Information System (CPAIS) processes for (1) closing Work-In-Progress (WIP); (2) Placing an Asset In-Service, (3) entering Operations and Maintenance (O&M) Costs, and (4) Removing an Asset from Service.

2. Authorities

- a. Executive Order 13327, Federal Real Property Asset Management
- b. USDA, Asset Management Plan
- c. Federal Real Property Council 2006 Guidance for Real Property Inventory Reporting, August 4, 2006
- d. Bulletin 06-303-ARS, Capturing O&M Costs

3. Abbreviations

ABFO	-	Area Budget and Fiscal Officer
CPAIS	-	Corporate Property Automated Information System
FCB	-	Facilities Contracting Branch
FD	-	Facilities Division
FMD	-	Financial Management Division
FFIS	-	Foundation Financial Information System
M&R	-	Maintenance and Repair
O&M	-	Operation and Maintenance
R&M	-	Restoration and Modernization
REWO	-	ARS Real Estate Warrant Officer
RPA	-	Real Property Accounting
RPM	-	Real Property Management
RPMB	-	Real Property Management Branch

UAI - Unique Asset Identifier

WIP - Work-In-Progress

4. Definitions

Asset. Real property assets include land, buildings and structures.

Depreciation. The rational and systematic method of allocating the cost of an asset over its estimated useful life. All buildings and structures are depreciated. Land is not depreciated.

Depreciation Start Date. The depreciation start date will be June 30th of the year the capital project (constructed, donated, or transferred-in) is placed into service. The costs collected in WIP are adjusted to the asset account and depreciation of the capitalized cost begins.

Operations & Maintenance Costs. O&M costs are those required for the operation, repair, and maintenance necessary to keep a facility in good working order. These costs include minor repairs, regularly scheduled adjustments and inspections, preventative maintenance tasks, and emergency response and service calls including custodial; grounds; facility management; pest control; energy; refuse collection and disposal; road, parking lot and walkway sweeping, and clearance; security; telecom; water, and lease costs. Labor, materials and contract expenses, including architectural and engineering costs are included. O&M costs include Maintenance and Repair (M&R) costs. Costs associated with Restoration and Modernization (R&M) are not captured as O&M costs.

Record of Payments. Purchase Agreement; Design, Design Review, Construction and Construction Management contract payment records, and other related documentations (e. g., force account labor, transaction detail listings, etc.) that support the total acquisition cost of an asset or costs related to capital improvements made to an asset.

Work-In-Progress Costs. The costs associated with the acquisition or construction of an asset until it is placed into service. The asset or improvement costs are accrued in their entirety until the constructed feature is complete and usable. When an asset is placed into service, the total cost of acquisition or construction is moved from the WIP account to the asset account and depreciation of the asset begins.

Write-off. The process by which an asset's Subledger values, are removed from CPAIS upon asset disposal and the Foundation Financial Information System (FFIS) general ledger is updated.

5. Work-In-Progress

WIP costs include the design, design review, new construction, reconstruction, and additions that meet the capitalization criteria. Once land is acquired or construction work begins, Headquarters and Area accounting personnel will create an accounting record in FFIS for the project. Costs are recorded in FFIS against the established project and automatically posted to the WIP account, so long as accounts are properly established. These transactions are for each Unique Asset Identifier (UAI) and passed from FFIS to CPAIS on a monthly basis. WIP will only appear within the Real Property Accounting (RPA) side of CPAIS.

When the acquisition or construction of a new asset is complete, the Real Estate Warrant Officer (REWO) will compare the project's Record of Payments to the WIP costs on the RPA side of CPAIS. If the total cost on the Record of Payments equals the WIP account in CPAIS, the REWO will forward a memo to the Real Property Management Branch (RPMB) requesting that the asset be placed into service. The request will include two copies of the Record of Payment documentation and a copy of the screen capture of the asset's WIP. The request is to be sent to:

RPMB-FD
5601 Sunnyside Avenue
Mail Stop 5126
Beltsville, Maryland 20705

The Area REWO is responsible for reconciling differences for Area projects and the Facilities Division REWO is responsible for reconciling differences for Headquarters projects. For Area projects, should the WIP costs not agree with the Record of Payment documentation, the Area REWO will be responsible for resolving the difference with the appropriate Area Contracting Officer (CO) and the Area Budget and Fiscal Officer (ABFO). For Headquarters projects, the Facilities Division (FD) REWO is responsible for resolving the difference with the appropriate Facilities Construction Branch (FCB) CO and Financial Management Division (FMD) representative. The ABFO will address expenditures made with annual appropriations (X01) and the FMD Representative will address expenditures made with modernization funds (X53).

6. Placing an Asset In-Service

Upon completion of a project, receipt of final acceptance of an asset, and completion of the WIP process described above, the REWO will update the Details, Details Continued, Address, Acquisition, and Accessibility Tabs within the Real Property Management (RPM) side of CPAIS (see Figures 1 and 2). Any fields that are null or require updating within the various tabs, Floor/Room Usage, or Occupancy sections should be entered or updated. The radio buttons (e.g., "Status," "Mission Dependency," and "Restrictions") must also be used to populate screens.

Upon receipt of the Record of Payment and WIP screen print from RPMB, FMD will enter the In-Service date within the RPA Subledgers Module, and the WIP balance will be transferred to the appropriate asset account.

Once an asset is placed In-Service within CPAIS, depreciation entries will be calculated by CPAIS and passed automatically to FFIS on a monthly basis.

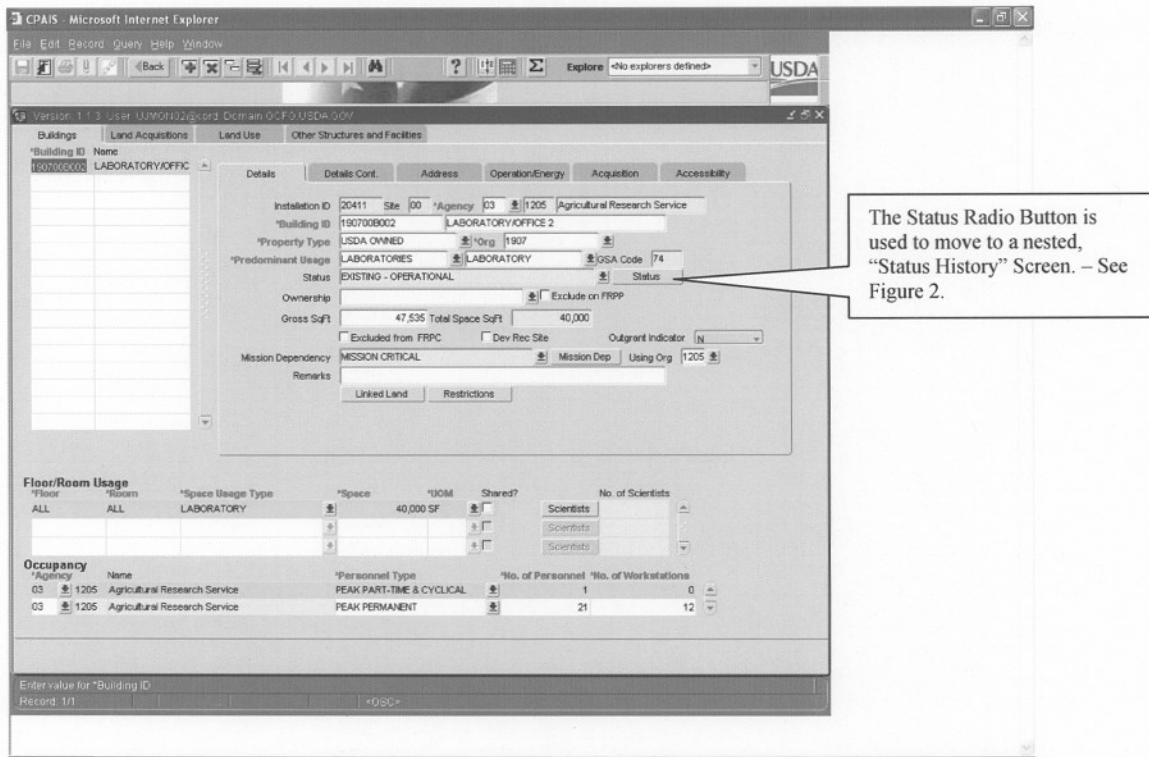


Figure 1.

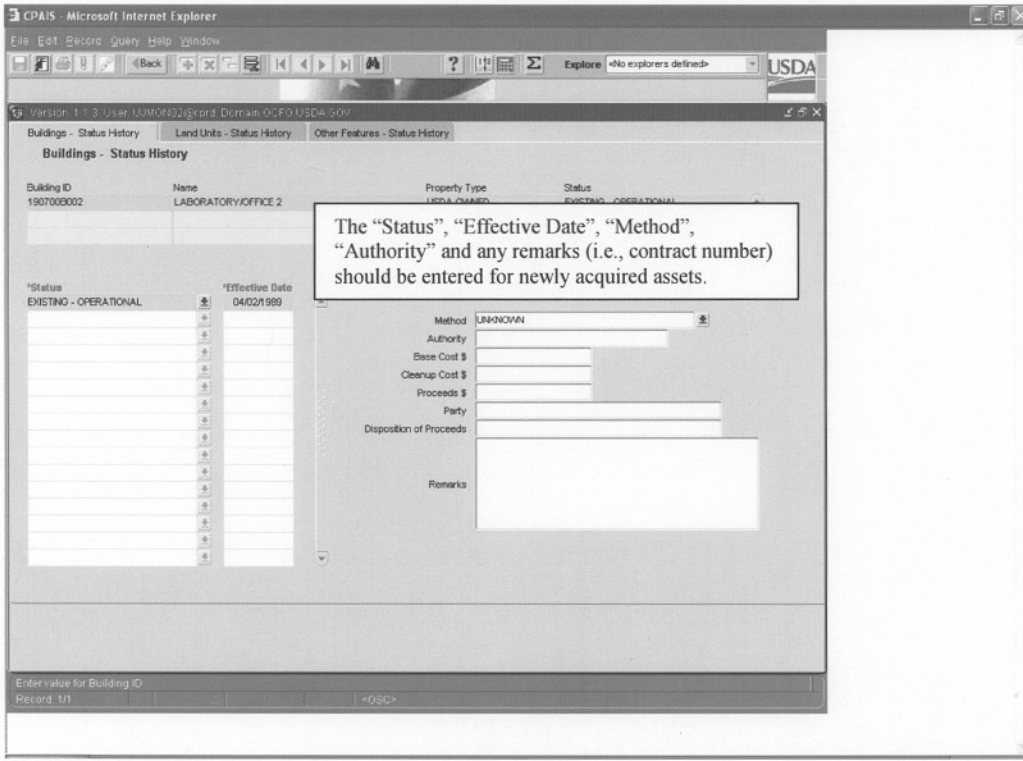


Figure 2.

7. Entering Operations and Maintenance Costs

Annual O&M Costs are those required for the operation, repair and maintenance necessary to keep a facility in good working order. These costs include costs for leased properties that are not included in the rent. For owned properties, these costs include minor repairs, regularly scheduled adjustments and inspections, preventative maintenance tasks, and emergency response and service calls. Beginning in FY 2007, Areas will be required to enter actual O&M for each asset based on the methodology established for distributing O&M cost at each location. The O&M cost for each asset is to be recorded in the Annual Operating Cost Override field on the Maintain Property Screen and the assets Acquisition Tab (see Figure 3 & 4).

CPAIS Microsoft Internet Explorer

File Edit Record Query Help Window

Explore <No explorers defined> USDA

Version: 1.1.3 User: U:\P\0102\@cpais Desktop\CPAIS\USDA.GOV

Buildings Land Acquisitions Land Use Other Structures and Facilities

*Building ID Name
190700B002 LABORATORY/OFFIC

Details Details Cont. Address Operation/Energy Acquisition Accessibility

Acquired From

Acquisition Authority Acquisition Date 01/01/1940

Acquisition Method CONSTRUCTED Initial Acquisition Cost \$197,566

Appraisal Method Current Value

Appraisal Date Fair Market Value

Annual Operating Cost

This radio button will link to a nested screen to enter the total annual operating costs.

Floor/Room Usage

*Floor	*Room	*Space Usage Type	*Space	*UOM	Shared?	No. of Scientists
ALL	ALL	LABORATORY	40,000 SF			Scientists

Occupancy

*Agency	Name	*Personnel Type	*No. of Personnel	*No. of Workstations
03	1205 Agricultural Research Service	PEAK PART-TIME & CYCLICAL	1	0
03	1205 Agricultural Research Service	PEAK PERMANENT	21	12

Enter value for Name
Record: 1/1 <OSC>

Figure 3.

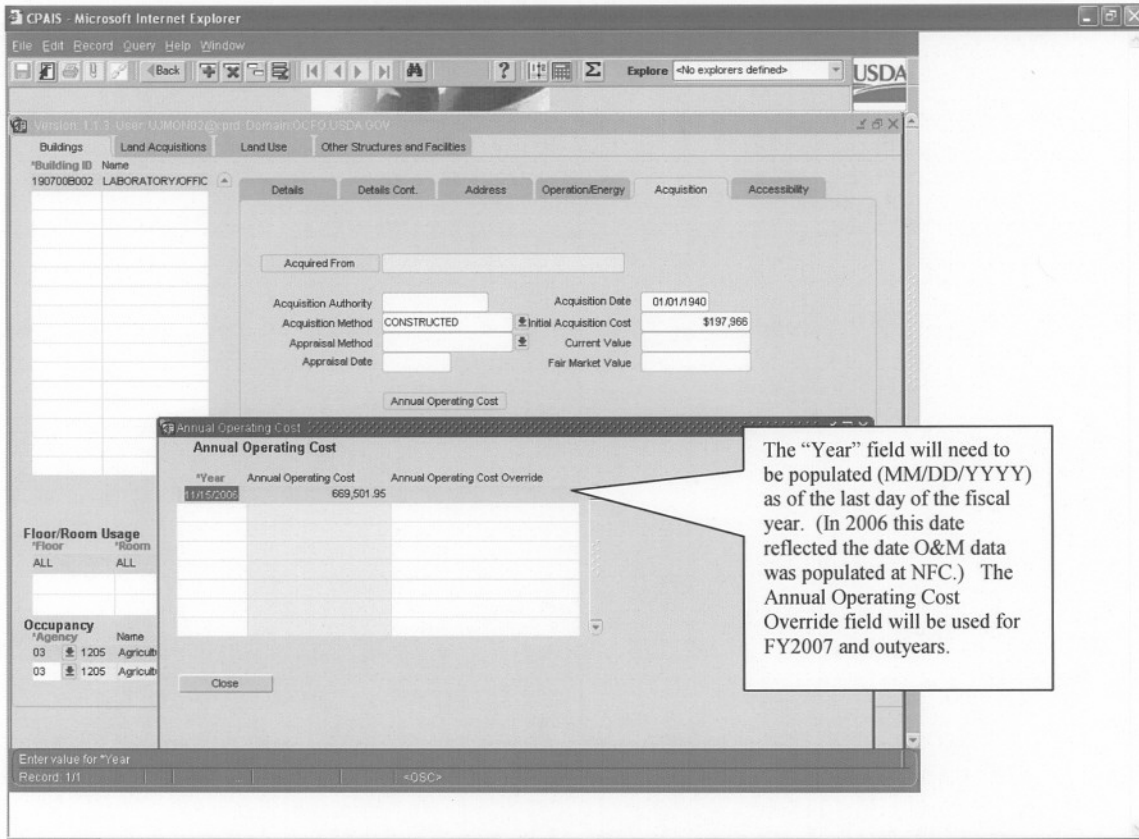


Figure 4.

8. Removing an Asset from Service

Removing an asset from service requires a change in status and entry of disposal information within both the RPM and RPA side in CPAIS. The Area REWO will update the Status History screen and corresponding line item information on the RPM side of CPAIS (see Figure 5). The Area REWO will then forward all disposal documents to RPMB with a cover memo requesting that the asset be removed from service.

RPMB will review the disposal documentation and changes made in CPAIS and forward the disposal documents to FMD. FMD will make the appropriate changes on the RPA side of CPAIS which will officially remove the asset from service. FMD will notify RPMB and the Area REWO via e-mail, when this transaction is complete.

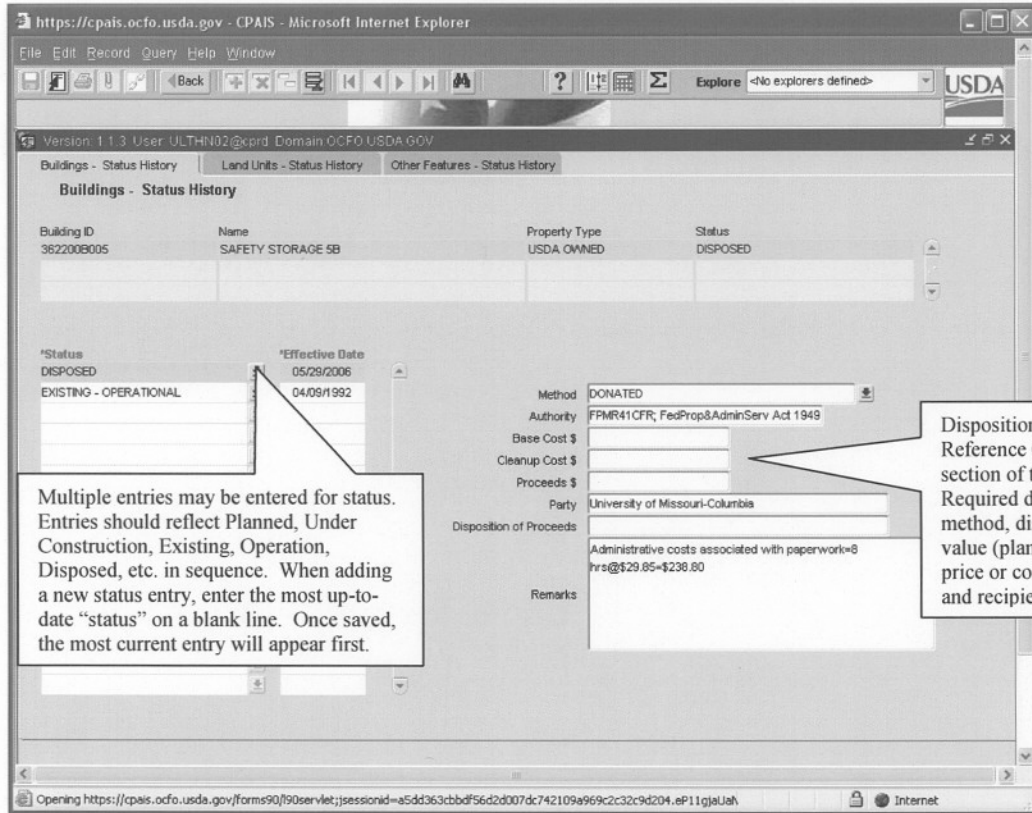


Figure 5

Edward T. Reilly

for Patrick Barry
 Director
 Facilities Division