

U.S. Fish and Wildlife Service



# Real Property Financial Management

Handbook

April 22, 2009



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# Real Property Financial Management Handbook Team Members

This update to the Real Property Financial Management Handbook is provided to support the accurate processing and reporting of the U.S. Fish and Wildlife Service (FWS or the Service) real property assets. The Service-wide policies, business processes, and technical guidance on real property financial data management in this guidance result from the collective efforts of the Service's Real Property Handbook Team.

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# 1.0 Introduction

## 1.1 Chapter Overview

A large number of U.S. Fish and Wildlife Service (FWS or the Service) program activities occur on land owned or leased by the Service. Acquisition costs for buildings and structures (i.e., real property improvements) are reported in the Service's annual financial statements. The Real Property Financial Management Handbook (the Handbook) provides users guidance on how to enter financial information into the Real Property Inventory (RPI) database, which is used to support the financial statement balance sheet. The Handbook's intended audience is the FWS financial community. The successful processing of financial information and the accounting for real property assets requires Service-wide coordination including Regional, Program, and administrative Offices.

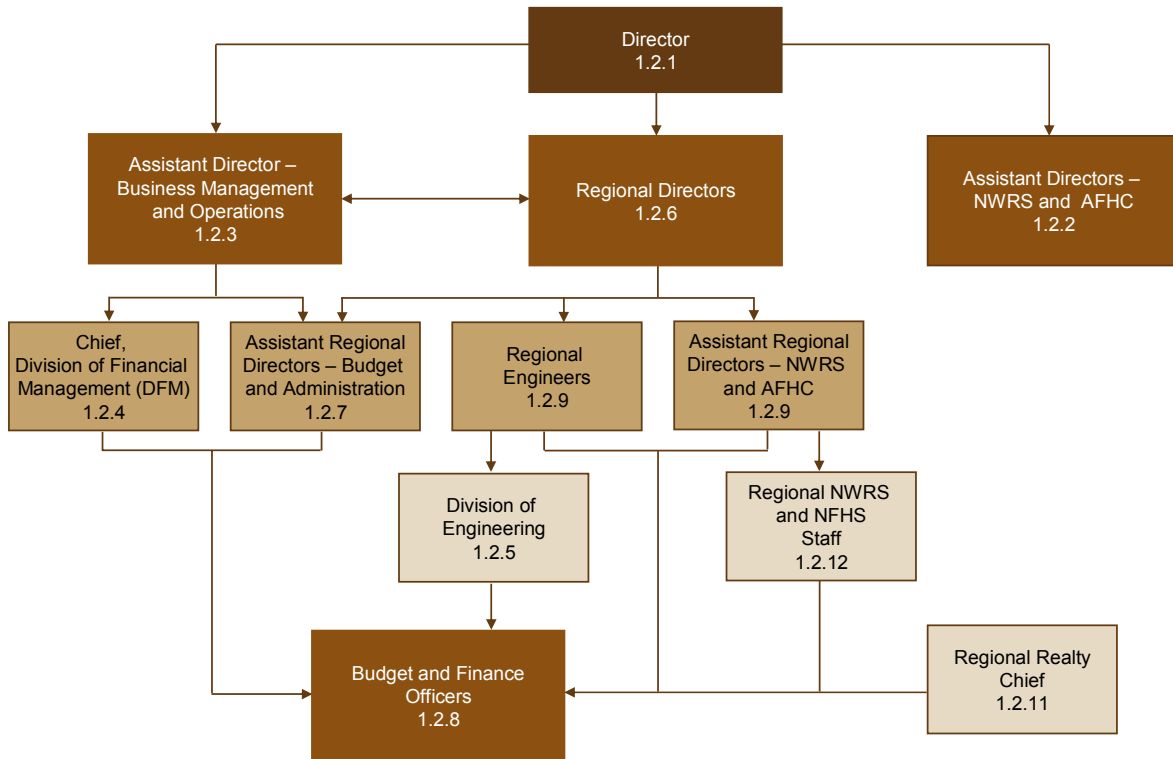
This chapter addresses:

- ✓ Real property management roles and responsibilities
- ✓ Real property classifications
- ✓ References
- ✓ Real property internal controls

## 1.2 Real Property Roles and Responsibilities

Specific real property management roles and responsibilities are described in this section. The national leader responsible for managing real property financial data works within the Division of Financial Management (DFM), while the Regional lead is within the Budget and Finance Office (BFO). Exhibit 1 illustrates the organizational relationship for processing real property asset acquisition and disposal information.

Exhibit 1. Real Property Roles and Responsibilities



### 1.2.1 Director

The Director is responsible for issuing policy, establishing performance measures, and timely reporting of accurate real property financial data. These responsibilities are assigned to the Chief Financial Officer (CFO).

### 1.2.2 Assistant Directors – National Wildlife Refuge System and Fisheries and Habitat Conservation

The Assistant Director for the National Wildlife Refuge System (NWRS) is responsible for Service-wide management of the RPI database and Service-wide real property management reporting. The Assistant Directors for NWRS and Fisheries and Habitat Conservation (AFHC) are responsible for providing adequate resources to manage and maintain the RPI database which serves as the subsidiary system of record for real property asset information reported on the Service financial statement balance sheet.

### 1.2.3 Assistant Director – Business Management and Operations

The Assistant Director – Business Management and Operations serves as the FWS CFO and is responsible for the accurate and timely reporting of FWS real property asset financial data in the Service’s financial statements. The CFO is also responsible for issuing policy, establishing performance measures, and financial management controls for real property assets. The CFO provides direction and support to the Chief, DFM for implementing and carrying out these responsibilities.

#### 1.2.4 Chief, Division of Financial Management

The Chief, DFM is responsible for coordinating and providing guidance for Service activities including acquiring and disposing of real property assets, reconciling Construction Work-in-Progress (CWIP) general ledger accounts, as well as assessing and maintaining internal controls to ensure accurate reporting of acquired and disposed real property assets.

DFM staff are responsible for performing the following duties:

- Serve as the national point of contact for issues relating to the financial reporting of real property assets
- Serve as a help desk for Regional and Program staff working on real property asset financial issues
- Represent the Service on real property asset financial management issues
- Provide real property financial management training to Regional real property asset staff specialists
- Conduct periodic reviews to ensure the design and operating effectiveness of internal controls
- Correct process weaknesses found during internal control and other reviews
- Ensure Service compliance with financial policy guidance (e.g., Federal Accounting Standards Advisory Board (FASAB) 6)
- Serve as the liaison with external auditors on real property financial issues
- Ensure consistency in processing of financial information for the real property business processes
- Serve as the Washington Office (WO) Budget and Finance Officer responsible for all WO real property assets while supporting WO Program staff with their real property operations
- Correct process weaknesses found during internal control and other reviews
- Reconcile the RPI database and Federal Financial System (FFS) by updating the Capitalized Project List (CPL) items in FFS to reflect the RPI database costs entered

#### 1.2.5 Division of Engineering

The Division of Engineering (DEN) is responsible for providing general guidance and direction to Regional Engineers (RENs) regarding the real property acquisition and reporting requirements for newly constructed assets. DEN also represents the REN at the national level regarding policies and practices about the engineering functions involved in developing and recording financial information involved in real property construction and improvements. In addition, DEN is responsible for providing the Regional BFO the proper acquisition documentation for capitalized high hazard dam construction and improvements located in the respective Regions.

#### 1.2.6 Regional Directors

The Regional Directors, through their Assistant Regional Directors—Budget and Administration (ARDs-BA), and the Director—National Conservation Training Center (NCTC) are responsible for allocating adequate staffing and budgetary resources to implement real property asset policies, preparing step-down Regional guidelines, and acquiring and managing accurate real property asset data. Regional Directors are also responsible for providing DFM acquisition information on specific WO facilities located within their Region (e.g., Clark C. Bavin National Forensics Laboratory, National Eagle Repository).

#### 1.2.7 Assistant Regional Directors – Budget and Administration

The ARD-BA is responsible for providing supervisory and management support of the Budget and Finance Office as related to the reporting of capitalized assets. In particular, the ARD-BA is

responsible for providing both internal and external coordination essential for securing information related to capitalized real property. Internal coordination includes coordination of the Contracting and General Services Divisions for providing acquisition documents with the REN in providing construction costs and CPL information. External coordination includes soliciting and securing the cooperation of Assistant Regional Directors of the NWRS and AFHC.

### 1.2.8 Regional Budget and Finance Officers

The Regional Budget and Finance Officer is responsible for reviewing acquisition and disposal documentation and reporting relevant financial data for all capitalized Regional real property assets. Each Regional Budget and Finance Officer is responsible for providing a point of contact who is dedicated to both managing financial data quality and implementing real property asset corrective actions for capitalized asset financial data.

Regional Budget and Finance Officers are also responsible for performing the following duties:

- Ensure the timely and accurate completion of the RPI database financial page, activities that pertain to capitalized asset improvements additions, disposals, asset acquisition costs, and CWIP reporting
- Conduct quality control database query reviews and remediate inaccurate or malfunctioning records, as necessary
- Ensure required capitalized real property asset documentation is maintained in required digital formats
- Develop and update the Regional CPL<sup>1</sup>, coordinating with the REN, as well as the refuge and hatchery program staff, which is the primary source of information for the real property acquisition process<sup>2</sup>

### 1.2.9 Regional Engineers

The REN is responsible for assisting the BFO with the preparation of the Regional CPL for the Construction Appropriation and for projects managed by the REN on behalf of the refuges and hatchery programs. REN is also responsible for coordinating the assignment of FFS project numbers for the Construction Appropriation (i.e., budget subactivities 26XX, 28XX, and 29XX). In addition, for projects managed by the REN that result in newly constructed capitalized assets, the REN should provide the Regional BFO CPL information and the proper acquisition documentation as requested by the Regional BFO.

### 1.2.10 Assistant Regional Directors – National Wildlife Refuge System and Fisheries and Habitat Conservation

The NWRS and AFHC Assistant Regional Directors are responsible for directing Regional Office personnel and field station staff and performing the duties listed below. The Assistant Directors for External Affairs (i.e., NCTC), Endangered Species, Law Enforcement (National Forensics Laboratory), Migratory Birds, and the office responsible for Puerto Rican Parrot Aviary are responsible for performing the same duties for real property is managed by any of these divisions.

- Notify the Regional BFO of real property capitalized asset acquisitions and disposals, and provide the proper supporting documentation for review and record keeping
- Notify and provide the Regional BFO with accurate cost documentation for all capitalized improvements accomplished via a force account and/or a station procurement
- Assist the Regional BFO in performing periodic reviews and audits of real property asset financial data and procedures

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<sup>1</sup> Under a consolidated administrative services agreement, Region 1 Regional Offices are responsible for all real property financial management activities for Region 8.

<sup>2</sup> Depending on the Region, the BFO may be responsible for this activity.

- Ensure that Comprehensive Condition Assessments (CCAs) are conducted in conformance with Service schedules
- Verify that the RPI database updates are conducted to validate the existence of Regional assets

### 1.2.11 Regional Realty Chief

The Regional Realty Chief is responsible for alerting the BFO to pending land acquisitions (regardless of source) and requesting land appraisal documents from the Appraisal Services Directorate of the National Business Center (NBC). The Regional Realty Chief is responsible for providing copies of the land appraisal documents to the Regional BFO in a timely manner.

### 1.2.12 Staff - Regional National Wildlife Refuge System and Fisheries and Habitat Conservation

Regional NWRS and AFHC staff are responsible for performing the following duties:

- Provide deferred maintenance project lists, along with information on other real property improvement projects that are funded by either program funds or acquired from external sources, to the Regional BFO and REN. The real property improvements list should include projects that are \$75,000 and over, and should be included in the Regional CPL
- Assign asset numbers to construction projects managed by the REN when it is clear the project will be initiated, a bid is offered, and budget is available. The assignment of asset numbers is particularly important for large construction contracts that include multiple assets
- Serve as a liaison with field stations and provide documentation to the Regional BFO that supports the financial entries
- Monitor annual RPI database updates for accuracy, completeness, and timeliness

## 1.3 Real Property Classifications

FWS owns and manages two types of land: stewardship land and general purpose land. FWS actively manages both buildings and structures (real property assets) located on both types of land.

### 1.3.1 Real Property Assets

Understanding the differences between personal and real property is important, as each property type receives different treatment for accounting purposes. Also, if an asset is recorded in both the RPI database and the Personal Property Management System (PPMS), the asset would be double-counted and reported incorrectly on the FWS balance sheet.

For an asset to be classified as real property, it must be identifiable with an item on the U.S. Department of the Interior (DOI or the Department) Standard Asset List (see [Appendix 1](#)). Non-severable real property components include equipment assets that are permanently affixed to another real property asset and cannot be removed without affecting the structural integrity of that asset, or are integral to the functionality of the real property asset. If the equipment can be moved without altering constructed features or changing the functionality of the asset, it is generally classified as personal property.

### 1.3.2 Stewardship Land

Stewardship land is acquired for the purpose of directly managing natural resources, but is not acquired for, or in connection with, real property assets used in FWS operations. Stewardship land includes all land, land rights, and improvements to land in the NWRS and AFHC, excluding land used for the construction of general purpose real property (e.g., administrative buildings). Certain real property assets located on stewardship land are classified as stewardship assets that

are not capitalized. FWS owns two types of stewardship assets—permanent improvements to stewardship land and heritage assets. Stewardship assets are recorded as non-depreciable assets.

### **1.3.2.1 Permanent Improvements to Stewardship Land**

Selected assets types are considered permanent improvements to stewardship land (PISL) as they are: (1) improvements to land (rather than property, plant, and equipment (PP&E)), (2) predominately made from earth, and (3) assumed to be permanent in the sense they are not depreciable like PP&E assets. PISL may include the following asset types:

- Beaches
- Canals (earthen)
- Dirt roads
- Drainage ditches (earthen)
- Levees/dikes
- Low hazard dams
- Nesting islands
- Unpaved trails
- Water impoundments (earthen)

### **1.3.2.2 Heritage Assets**

Heritage assets are assets that are unique because of their historical, natural, cultural, educational, or artistic significance, and are expected to be preserved indefinitely. FWS heritage assets include real property assets that are classified in the RPI database by Regional Historic Preservation Officer (RHPO) as National Historic Landmarks (NHL), listed in the National Register of Historic Places (NRHP), or are eligible for inclusion in the NRHP.

### **1.3.3 General Purpose Land**

FWS general purpose land is acquired to support operations that are used to manage natural resources. The use of general purpose land is administrative in nature. Buildings and structures on general purpose/administrative land are considered real property improvements (assets) and are generally termed PP&E. Real property assets are capitalized and recorded if their acquisition cost exceeds the FWS capitalization threshold of \$100,000.

Examples of general purpose land assets include:

- Visitor centers
- Paved roads
- Large storage buildings
- High and significant hazard dams
- Pipelines

Real property assets are tangible objects and are classified as capital assets if they met all of the following criteria:

- Estimated useful life of 2 years or more
- Not intended for sale in the normal course of operations
- Acquired or built with the intention of being used by the Service
- Acquisition cost that exceeds the Service's capitalization threshold
- Do not qualify as a stewardship asset

Exhibit 2 describes the capitalization treatment of real property assets.

*Exhibit 2. Real Property Capitalization Treatment*

Asset	Capitalization Treatment
Land	Land is the solid part of the earth's surface. It is considered a non-wasting asset and is not subject to depreciation. The recorded cost of land includes: <ul style="list-style-type: none"> <li>• Purchase price</li> <li>• Fees for examining and recording the title</li> <li>• Broker's commission</li> <li>• Fees for examining and recording surveying</li> <li>• Costs associated with the razing and removal of structures on the land</li> </ul>
Land Rights	Land rights are interests and privileges held by the Service in land owned by others, such as leaseholds, easements, water rights, diversion rights, and other like interests in land. The costs associated with these rights are recorded as non-depreciable assets if they are for an unlimited duration. Otherwise, they are considered leases amortized over the term of the agreement.
Improvements to Land	Improvements to land of unlimited duration, called permanent land improvements (e.g., levees/dikes), are recorded as non-depreciable assets. (It is unlikely that the Service has permanent improvements to general purpose land.) Improvements of limited duration (e.g., sewage lines, sidewalks) should be depreciated over their estimated useful life.
Roads <sup>3</sup>	Paved and gravel roads are capitalized if the general capitalization criteria is met when factoring the road's cost per mile. It is possible that the total cost of a road does not exceed the capitalization threshold (i.e., \$100,000), even though the cost per mile may exceed the threshold (e.g., a ¼ mile road segment costing \$40,000).
Real Property Improvements	Capitalized building and structures on general purpose/administrative land are considered real property improvements (assets) and are recorded as depreciable assets. Examples include visitor centers, large storage buildings, dams, and pipelines. These assets are commonly called PP&E.

### 1.3.4 Severable Capitalized Real Property Assets

Capitalized real property assets are usually considered severable assets if they can function alone while in close proximity to other real property assets. For example, a parking lot next to a visitor center is considered separate from the center. Other examples include lighting systems on the grounds of a visitor center or the septic system for the center. If an asset can be identified by a separate and distinct asset code, it is considered a severable asset and should be recorded.

## 1.4 Sources

### 1.4.1 Office of Management and Budget

The Office of Management and Budget (OMB) serves the Executive Office of the President by functioning as an oversight body for Federal Agencies. It assists in the development and regulation of policies and procedures that impact agency financial activities. OMB is the

<sup>3</sup> In certain locations, the estimated useful life of a road is less than two years (e.g., Alaska). In accordance with the general capitalization criteria, these roads can be expensed.



management office responsible for issuing the policies, and orders authorizing Agencies to meet the standards promulgated by the Federal Accounting Standards Advisory Board (FASAB).

#### 1.4.2 Federal Accounting Standards Advisory Board

FASAB serves to promulgate Federal accounting standards after considering the financial and budgetary information needs of citizens, congressional oversight groups, executive agencies, and the needs of other users of Federal financial information. FASAB is a Government board that acts as an accounting standards advisor to OMB. FASAB makes recommendations to OMB for Federal agency policy implementations. If approved, OMB issues the policies as Statement of Federal Financial Accounting Standards (SFFAS). Currently, SFFAS 3, 6, and 8 impact FWS' real property financial management policies.

#### 1.4.3 Financial Accounting Standards Board

The Financial Accounting Standards Board (FASB) establishes standards of accounting and financial reporting for the private sector. They serve as a resource for investors, creditors, and auditors.

#### 1.4.4 Federal Real Property Council

FRPC is an interagency council within OMB, created by Executive Order 13327. The FRPC is comprised of Senior Real Property Officers, the Controller of the OMB, the Administrator of the General Council, and any others permitted to the council by the chair. It promotes efficient and economical use of real property assets and develops standards for the management accountability of real property assets.

#### 1.4.5 U.S. General Services Administration

The U.S. General Services Administration (GSA) issues the Federal Management Regulation (FMR) that prescribes policies concerning property management and related administrative activities. The policies cover the acquisition, management, utilization, and disposal of real property by Federal agencies. Real property policies pertinent to the FWS are defined in the FMR Sub-Chapter C, parts 102-71 through 102-82.

#### 1.4.6 U.S. Department of the Interior

DOI issues real property accounting policies and procedures in accordance with directives from OMB and FASAB. The real property standards are designed to ensure reliability of financial reporting, financial control, operational efficiency, and regulatory compliance. Financial management of all FWS-owned and leased real property is guided by DOI policy. Accordingly, this Handbook provides further guidance for the financial management of real property assets to ensure compliance with DOI policy.

### 1.5 Real Property Internal Controls

As part of the annual compliance assessment for the OMB Circular A-123, Appendix A (A-123), the A-123 Review Team evaluates internal controls related to financial reporting for the real property business processes. More specifically the A-123 Review Team assesses management activities for valuing, adding, maintaining, disposing, and accounting for any interest in land together with improvements (i.e., buildings, structures and fixtures, and associated improvements) to land. The identified internal controls over financial reporting are management activities that deter waste, fraud, or abuse of Service resources.

In subsequent chapters, the handbook identifies key control activities as they relate to the guidance provided.

# 2.0 Real Property Acquisitions

## 2.1 Chapter Overview

The U.S. Fish and Wildlife Service (FWS or the Service) acquires real property using a variety of methods. This chapter provides guidance for obtaining financial information relating to the Service's acquisition of real property assets and for entering new records into the Real Property Inventory (RPI) database. Selecting the proper acquisition type in the RPI database directly influences the documentation required to support an asset's acquisition cost. For each of the 14 acquisition types, the Division of Financial Management (DFM) has identified the source responsible for documentation.

- This chapter addresses:
- ✓ Acquisition roles and responsibilities
  - ✓ Acquisition types

## 2.2 Real Property Asset Acquisition Financial Documentation Roles and Responsibilities

Exhibit 3 identifies the 14 acquisition types and the office responsible for providing documentation for each asset type.

*Exhibit 3. Acquisition Roles and Responsibilities*

Acquisition Type	Source Responsible for Documentation
Capitalized Leasehold Improvement	Contracting and General Services
Constructed	Regional Engineer/Contracting and General Services/Field Station
Donated	Field Station
Donated with Land	Field Station/Regional Realty Office
Exchanged	Regional Realty Office
Jointly Funded	Field Station
Leases	Contracting and General Services
Purchased	Contracting and General Services
Purchased with Land	Regional Realty Office
Service Managed not Service Owned	Field Station
Transferred from Federal Entity with land	Field Station/Regional Realty Office
Transferred from Federal Entity without land	Field Station
Withdrawals	Regional Realty Office

Compiling acquisition cost documentation requires coordination and cooperation between administrative and program staff. It is the responsibility of all offices, not just the Budget and Finance Office, to compile documentation and accurately record the acquisition information. Each of the offices shown in Exhibit 3 may have a contributory role in securing the documentation needed to support the entry of the new real property asset into the RPI database. This

responsibility should be perceived as part of the normal course of business as it is affiliated with each office's routine operations.

The Regional Capitalized Project List (CPL) is the key coordination tool used to identify the party or parties responsible for providing the source documents associated with and used to substantiate an asset's acquisition information. If the CPL is complete and timely, the responsible party should be alerted in advance to sending copies of construction contracts, and progress payments to the Budget and Finance Office (BFO) when the property as property is constructed.

## 2.3 Real Property Acquisition Types

The Budget and Finance Office records the acquisition cost and acquisition date on the Financial Page of the RPI database for capitalized assets. The acquisition type is captured in the 'ACQTYPE' field in the RPI database. The acquisition type indicates the method by which real property is conveyed to Service ownership, management, and/or use. Only staff in the Regional Offices can enter and modify the acquisition type field. Detailed descriptions of the 13 acquisition types, identified in Exhibit 3, are presented in the subsequent sections.

### 2.3.1 Capitalized Leasehold Improvements

Capitalized leasehold improvements are modifications to existing leased real property (e.g., a U.S. General Services Administration (GSA) leased asset) that will either extend the useful life of the property by 2 years or more, improve the property's capacity, or otherwise upgrade the property to serve needs that are different from those originally intended. Leasehold improvements are capitalized if they meet the Service's capitalization threshold (i.e., \$100,000). Leasehold improvements include build-outs of GSA leased office space, but they do not include FWS buildings constructed on leased land. The latter are recorded in the RPI database using the "Constructed" acquisition type. Capitalized leasehold improvements are not reported in the RPI database. Capital leases and capital leasehold improvements are reported using Lease Financial Reporting Memo Templates in Appendix 10.

### 2.3.2 Constructed

Constructed assets are either built by the Service using FWS funds, or built for the Service and paid for by another Federal agency. Examples of Service-constructed, Service-funded assets include visitor centers, maintenance buildings, and roads. Examples of assets built on behalf of FWS include facilities constructed by the U.S. Army Corps of Engineers, U.S. Department of Transportation Federal Land Highway Administration, and the Bureau of Reclamation. Assets constructed for FWS by other Federal agencies, with their funds or FWS funds, are not identified as transfers (see [Chapter 2, Section 2.3.11, Transferred from Federal Entity with Land](#) and [Section 2.3.12, Transferred from Federal Entity without Land](#)). As the constructing agency never records these assets in its financial statements, costs need not be exact and the project representations will be adequate for balance sheet reporting.

### 2.3.3 Donated

Donations are stand-alone assets (i.e., assets without land) received from non-Federal agencies (i.e., tribal and State governments, non-profit organizations, or private entities). Donations cannot be received from another Federal agency. If an asset is donated, the acquisition cost is the actual cost of the asset or Fair Market Value (FMV) of the construction at the time the Service acquires the asset. To be classified as a donation, the asset must be free of charge to the Service. If the Service participates in the construction of, or contributes resources for any part of a donated asset, the appropriate acquisition type is "Jointly Funded". Assets constructed on behalf of and then donated to FWS should be classified as "Constructed".

### 2.3.4 Donated with Land

Donations with land are assets acquired as part of a stewardship land donation (e.g., water control structures, buildings). To be capitalized, the asset must meet FWS capitalization thresholds and not be considered a stewardship asset.

### 2.3.5 Exchanged

Exchanges are assets the Service receives as part of a land trade. Disposed assets residing on land exchanged by the Service should also be identified to confirm they are deleted from the RPI database. Assets received in the exchange will be valued using a land appraisal and will be treated for acquisition purposes consistent with other land appraisals.

### 2.3.6 Jointly Funded

Jointly funded assets are built for the Service using a combination of Federal funding (Service or other) and non-Federal funding sources. The acquisition cost of jointly funded assets must be derived from both costs incurred by the Service and the partnering funding source. If costs incurred by the partnering funding source are unavailable, then the FMV must be applied. The cost to the Service should be calculated and recorded in the same manner as either the "Constructed" or "Purchased" acquisition type, as appropriate.

### 2.3.7 Leases

Leases are assets owned by non-Service entities and used by the Service for a fee. Detailed information is provided in [Appendix 2](#) on determining whether a lease meets FWS capitalization thresholds. If the Service rents property directly from a vendor, without the GSA's involvement, and with formal maintenance responsibilities, the property is reported in the RPI database as a "Service Managed not Service Owned" asset (see [Chapter 2, Section 2.3.10, Service Managed not Service Owned](#)). If FWS leases property and there is no formal maintenance responsibility, the real property asset should not be entered into the RPI database.

### 2.3.8 Purchased

Purchases are stand-alone assets procured via a purchase order or similar procurement mechanism that FWS can use upon receipt or after minor installation procedures are performed. If substantial installation costs are incurred, the asset should be considered a "Constructed" asset. An example of a purchased asset is an above-ground fuel tank. A Butler building is not an example of a purchased asset because it requires considerable assembly, thereby making it a "Constructed" asset.

### 2.3.9 Purchased with Land

Purchases with land are assets on stewardship land acquired through a land purchase transaction (e.g., water control structures and buildings). To be capitalized, the asset must meet FWS capitalization threshold and not be considered a stewardship asset.

Assets purchased with land should be evaluated to confirm they are not excluded from capitalization based on capitalization exclusion policies that allow exclusion based on materiality asset value and for assets not separately identified in appraisals (see [Chapter 3, Section 3.8.6, Incidental to Land Acquisitions - Less Than or Equal to 15%](#) and [Section 3.8.8, Incidental to Land Acquisition - Not Separately Identified in the Appraisal](#)). Purchases with land always involve a FWS real estate appraisal. If these capitalization exclusions apply, the assets are not capitalized. The appraisal is the primary source for determining the acquisition cost of the real property asset acquired as part of the land purchase. Individual assets, however, may not be separately identified in the (see Chapter 3, Section 3.8.8, Incidental to Land Acquisition – Not separately identified in the appraisal Separate Appraisal).

### 2.3.10 Service Managed, not Service Owned

Service managed not Service owned assets are owned by another entity, but used in Service operations. These assets are not considered “owned” for real property accounting purposes. This acquisition type is used as an RPI database entry mechanism for forecasting asset maintenance expenditures. To use this acquisition type for buildings, a field station must authorize a formal agreement between the two entities acknowledging responsibility for maintenance and repairs. If a formal written agreement is not in place, such as a Memorandum of Understanding (MOU) or Memorandum of Agreement (MOA), the building asset should not be entered into the RPI database. To use this acquisition type for structures, SAMMS work orders must be issued for maintaining the structure by FWS personnel. If SAMMS work orders are not issued, a non-Service owned structure should not be entered into the RPI database. Only Service owned assets are reported on the FWS balance sheet.

### 2.3.11 Transferred from Federal Entity with Land

Transferred from Federal entity with land assets were previously recorded in another Federal agency's real property records and financial statements and have now been formally transferred to the Service. For the DOI agencies, the BFO should obtain the original acquisition cost, the accumulated depreciation, and the Net Book Value (NBV) at the time of transfer from the transferring agency. This DOI information is required for financial statement reconciliation purposes. For non-DOI agencies, the recorded cost of the transferred asset is the NBV at the time of transfer from the transferring agency. If the transfer involves reimbursement, the acquisition cost is the amount of reimbursement plus incidental costs to the transferor.

### 2.3.12 Transferred from Federal Entity without Land

Transferred from Federal entity without land are stand-alone assets that were previously recorded in another Federal agency's real property records and financial statements and have now been formally transferred to the Service without a land transfer. For DOI agencies, the BFO should obtain the original acquisition cost, the accumulated depreciation, and the NBV at the time of transfer from the transferring agency. This DOI information is required for financial statement reconciliation purposes. For non-DOI agencies, the recorded cost of the transferred asset is the NBV at the time of transfer from the transferring agency. If the transfer involves reimbursement, the acquisition cost is the amount of reimbursement plus incidental costs to the transferor.

### 2.3.13 Withdrawals

Withdrawals are lands that are removed from the public domain that also includes real property assets (i.e., buildings). Since the Bureau of Land Management (BLM) controls all Government-owned public domain land, the Service should contact BLM to determine the NBV of the withdrawn assets. If the withdrawn land is re-transferred to FWS from another agency via BLM, the NBV should be obtained from the agency that previously owned the asset.

## 3.0 Real Property Capitalization Policies

### 3.1 Chapter Overview

The U.S. Fish and Wildlife Service (FWS or the Service) defines capitalization as the accounting treatment whereby the costs (including acquisition costs) for a real property asset with a life expectancy greater than 2 years are expensed (depreciated) over the life of the asset.

Capitalization is necessary to properly apply asset costs across the asset's useful life. The Service utilizes a straight line depreciation rate, which applies an asset's cost evenly across the asset's useful life. When assets are expensed, standard financial documentation suffices for reporting purposes. When assets are capitalized, additional financial documentation is required.

As a general practice in determining if a cost is to be considered an improvement (capitalized) or a repair (expensed), the preferred approach is to expense, rather than capitalize, funds spent on real property assets. This accounting bias toward expensing costs rather than capitalizing costs is applied by the Budget and Finance Offices (BFOs) when the decision is not intuitively obvious.

This chapter addresses:

- ✓ Capitalization policies
- ✓ Descriptions of improvements, repairs, replacements, renovations, and additions
- ✓ Explanations of decisions to lump and split real property asset records
- ✓ Internal control testing and financial statement audit requirements
- ✓ Capitalization exception rules

### 3.2 Real Property Capitalization Time Periods

The depreciation time periods for capitalized assets are prescribed by the asset's useful life according to the U.S. Department of the Interior (DOI or the Department) Useful Life Table (see [Appendix 3](#)).

Exhibit 4 summarizes useful life by asset.

*Exhibit 4. Capitalization Time Periods*

Asset	Useful Life
Buildings	40 years
Structures and Facilities	20 years
Water management structures and facilities	20 years
Roads, bridges, trails, and recreation sites	20 years
Other structures and miscellaneous assets (including, fences, cattle guards, visitor kiosks, campgrounds, boardwalks)	10 years

### 3.3 Real Property Assets Subject to Capitalization

In general, the following types of assets are considered real property assets subject to the Service's capitalization criteria:

- Bridges
- Buildings
- Building improvements (including renovations)

- Construction Work-in-Progress (CWIP)
- Leasehold improvements
- Other structures and facilities
- Roads
- Utility systems

### 3.4 Real Property Capitalization Thresholds

Beginning in FY 2004, the real property asset threshold for capitalization became \$100,000. For roads, the capitalization threshold is \$100,000 per mile, or if the total of multiple road segments exceeds \$100,000. Newly discovered assets that have an acquisition date prior to FY 2004 have a \$50,000 threshold.

Unique acquisition cost documentation is required for each of the following three thresholds: above \$100,000, between \$75,000 and \$100,000, and below \$75,000.

#### Real property assets above \$100,000

- Assets above \$100,000 require full documentation of the FWS acquisition cost as detailed in [Chapter 7, Section 7.3, Documenting Real Property Acquisition Cost](#).

#### Real property assets between \$75,000 and \$100,000

- Assets between \$75,000 and \$100,000 require documentation that demonstrates that the assets are below the capitalization threshold. Federal Financial System (FFS) reports, such as the Selected Projects Status Report FW 61001, DataMart Brio queries, appraisals, and agency transfer documents are acceptable as prima facie evidence for demonstrating if the capitalization threshold has been met. A discounted replacement cost estimate is acceptable prima facie evidence for demonstrating that the capitalization threshold has not been met (if standard acquisition documentation in [Chapter 7, Section 7.3, Documenting Real Property Acquisition Cost](#) is unavailable) for assets acquired through land purchases, transfers, donations, and jointly funded arrangements.

#### Real property assets below \$75,000

- Documentation for assets below \$75,000 CPL tracking threshold does not need to be gathered nor maintained. However, financial statement auditors may require rudimentary documentation of selected assets below \$75,000 in order to test the \$75,000 CPL tracking threshold.
- For assets selected for audit testing purposes, the following documentation will satisfy audit requirements: Service Asset Maintenance Management System (SAMMS) reports, Selected Projects Status Report FW 61001, DataMart Brio queries, appraisals, and agency transfer documents. In addition, a discounted replacement cost estimate is acceptable prima facie evidence for demonstrating that the \$75,000 CPL tracking threshold has not been exceeded for assets acquired through land purchases, transfers, donations, and jointly funded arrangements.

### 3.5 Real Property Improvement Costs

Real property asset costs incurred after an asset has been acquired are classified as either improvements or repairs and maintenance. Improvements include additions, component upgrades, and major renovations. Improvement costs above \$100,000 are capitalized, while improvement costs below \$100,000 are treated as repairs and expensed in the accounting year in which they occur.

*As a general practice, in determining if a cost is to be considered an improvement (capitalized) or repair (expensed), the Service prefers to expense, rather than capitalize, funds spent on existing real property assets.*

Repair and maintenance costs, regardless of the amount, are expensed in the current period. Costs incurred in maintaining real property assets often include elements of both improvements and repairs. In such cases, improvement costs above \$100,000 should be capitalized and the repair costs should be expensed.

### 3.5.1 Improvements

Real property asset improvements are major modifications to existing real property, including renovations that significantly extend the useful life of the asset beyond normal life expectancy, or that provide additional significant capacity, capability, or functionality increasing the asset's value. If the replacement of a major component of an operational asset results in an increase to operational capability, the asset improvement should be capitalized. Improvements to stewardship assets are expensed, not capitalized (see [Chapter 4, Section 4.1, Chapter Overview](#)).

Three examples of real property asset improvements are shown below:

#### Example 1

Replacing asphalt shingles with slate shingles

- Upgraded roofing material significantly improves the building by reducing the forecasted roof repair costs while extending the life of the building. This type of replacement should be capitalized.

#### Example 2

Replacing siding and windows on a building

- Upgraded siding material and windows may extend the useful life of a building; however, the improvement does not affect architectural integrity of the building. Such replacements should not be capitalized.

#### Example 3

Improving and repairing a road

- A gravel road is re-graded (\$101,000), the pull-outs are repaired (\$44,000) and a layer of asphalt is added (\$101,000). The cost of re-grading and laying asphalt should be capitalized because the improvements extend the useful life of the asset. If the pull-out repairs were required for the new asphalt layer, they should also be capitalized, but if they were not required to prepare the road for asphalt paving they should not be capitalized. The improvements and repairs would also change the asset type, affecting the asset's useful life.

### 3.5.2 Repair and Maintenance Costs

Real property repair and maintenance costs are incurred to maintain a given level of benefits provided by the asset and do not increase the capacity or extend the useful life of the asset. Unless the work performed clearly results in a significant upgrade to the underlying asset, it should be considered a repair.

*As a general practice, in determining if a cost is considered an improvement (capitalized) or a repair (expensed), the preferred approach is to expense, rather than capitalize funds spent to improve or maintain real property assets.*



Two examples of real property repair and maintenance costs are shown below:

#### Example 1

Repairing a raceway and performing maintenance activities

- The repairs and maintenance activities allow the raceway to continue its productive functions. If the maintenance is not performed, the raceways will not provide the benefits as originally anticipated. Future benefits are not provided beyond those originally anticipated and the normal life expectancy of the asset is not significantly extended.

#### Example 2

Re-constructing an uninhabitable visitor center following a hurricane

- If the building can be brought back to reasonable usefulness after a short period of time, the work should be considered a repair, and should not be capitalized (despite significant repair costs). If additions or enlargements were completed at the same time, they should be considered for capitalization based on the Service's asset improvement capitalization criteria.

### 3.5.3 Component Replacements

An in-kind replacement of an asset component, with essentially the same characteristics as the old component, is expensed, even though the replacement cost may exceed \$100,000.

Three examples of real property replacements are shown below:

#### Example 1

Replacing HVAC with a new system

- The system is upgraded due to (a) technological improvements and (b) code requirements. The additional improvements result from modernization of the unit itself rather than adding major value to the building operation, and therefore should not be capitalized. This same principle applies to building code and Americans with Disabilities Act (ADA) compliance.

#### Example 2

Replacing an elevator (in-kind)

- The replacement is due to upgraded building codes and does not appreciably increase its functionality of moving passengers from one floor to another. The replacement should not be capitalized, even if the replacement exceeds \$100,000 in repair costs.

#### Example 3

Adding gravel or laying an additional asphalt overcoat

- Adding gravel to an existing gravel roadbed or periodically laying an asphalt overcoat to an existing asphalt overlay does not impact the normal life expectancy of the road and should not be capitalized.

### 3.5.4 Additions

Capitalized real property additions are improvements that involve adding new components to an existing asset that meet the capitalization threshold of \$100,000.

Three examples of real property additions as capitalized improvements are shown below:

#### Example 1

##### Constructing a new building wing

- Capitalized cost for additions includes all necessary expenditures to bring the addition to a condition and location suitable for use. For a building addition, this should include the demolition costs, as well as the costs for removing a wall from an existing building.

#### Example 2

##### Adding a boiler and heater pump

- The addition of a boiler and heat pump to an existing water line would allow the facilities to convert from cold water fish (trout) to warm water fish (sturgeon) and should therefore be capitalized.

#### Example 3

##### Adding a cover to an existing raceway

- The addition of a cover to an existing raceway adds value as it allows the raceways to be used for brood stock and production while significantly increasing the water quality, preventing disease and increasing overall efficiency of the hatchery. This addition should be capitalized.

### 3.5.5 Renovations

Costs incurred to change the structure of an asset meeting the capitalization threshold of \$100,000 are considered capitalized renovations, excluding additions or replacements. The intended result of a renovation is to create a new capability for the asset.

Three examples of real property capitalized real property renovations are shown below:

#### Example 1

##### Altering a water control structure

- The water control structure formally allowed only the intake of fresh water and now allows the intake and mixing of both fresh and salt water to produce brackish plant species that would serve as additional food resources. This renovation should be capitalized because it enhances operational capability. Additionally, the water control structure intake doubles its capacity, increasing operational efficiency, and as a result, should be capitalized.

#### Example 2

##### Renovating hatchery piping and equipment

- The renovation of freshwater piping and heating and cooling equipment inside a hatchery building provides the capability to produce additional species and significantly enhances operational efficiency. Accordingly, this improvement should be capitalized. Likewise, additional operational efficiency for doubling the volume of fish production justifies asset capitalization.

### Example 3

#### Converting a storage building for new use

- Converting a storage building to an environmental education center should be capitalized as the primary function of the asset has changed to a better and higher use, assuming it meets the Service's capitalization threshold.

## 3.6 Real Property Asset Lumping and Splitting

Asset grouping refers to aggregating (lumping) or disaggregating (splitting) of real property asset component records in order to comply with Federal accounting requirements and/or to meet the Service's management needs (e.g., tracking maintenance costs for asset units at the field station level). The purpose of FWS asset grouping policies is to maintain consistency in reporting real property assets Service-wide (e.g., applying DOI asset coding categories) and to comply with Federal accounting requirements.

If an asset, as originally constructed, is an aggregate of components that function only as a non-severable part of the whole structure, the asset in total is treated as a single item and subjected to capitalization criteria. However, if an asset consists of individual components, each of which has its own asset code and could stand alone as a functional asset, the individual components are considered separately constructed assets.

Lumping and splitting decisions impact the National Wildlife Refuge System (NWRS) staff, the Fisheries and Habitat Conservation (AFHC) staff, and the Service's financial community. Program staff use the Real Property Inventory (RPI) database to manage their assets for deferred maintenance and other facility management purposes, while the Budget and Finance Office staff use the RPI database as a subsidiary ledger. Fortunately, the conflicts of the two needs are not as dramatic for capitalized records as for un-capitalized records. However, if the two purposes come into conflict, for capitalized assets the financial management purpose takes priority.

The financial requirements are few, but must be followed:

- Each capitalized real property asset must have a separate (one, and only one) DOI asset code
- Capitalized assets cannot be split in order to avoid capitalization
- Dissimilar DOI asset codes cannot be combined (lumped) into a single RPI database record for capitalized assets
- Dissimilar DOI asset codes cannot be combined (lumped) in order to reach the capitalization threshold

Five examples of real property asset lumping and splitting are shown below:

### Example 1

#### Adding a filtration system to a dam

- A filtration system is added (\$50,000 acquisition cost) to meet new EPA and individual State saline requirements during a \$2 million dam rehabilitation. As part of the rehabilitation, it is determined the addition of two intake valves, adding 25% volume capacity, should be capitalized at \$250,000. In this case, the filtration system should be lumped with the additional intake valves.

#### Example 2

##### Adding a fish kettle inside an existing pond

- A fish kettle is a collection feature (\$50,000 acquisition cost) for harvesting fish in hatchery ponds. A new kettle is built inside an existing pond, previously acquired for \$150,000. As part of the pond unit, the kettle is an integral part of the pond and should be lumped with the existing hatchery pond because the cost is less than the capitalization threshold.

#### Example 3

##### Adding a fish kettle outside existing ponds

- A new kettle (\$100,000) is built outside existing ponds (\$150,000 each) as a collection feature for harvesting fish from those ponds. As configured, the new kettle is an integral part of the pond operation. Although several ponds are already grouped and listed as a single asset, the newly built kettle should not be lumped with the pond because it is greater than the capitalization threshold and has a distinct asset code.

#### Example 4

##### Attaching a stand-by generator to an existing building

- A stand-by generator (\$105,000) is attached to an office building (\$252,000). The assets should not be lumped because the generator is (1) not integral to the building operation, and (2) has a different asset code in the RPI database.

#### Example 5

##### Constructing a road and culverts

- A two mile road (\$235,000) is being constructed with eight culverts of 36-inches each (\$2,800 per culvert). Although the culverts are integral to the road structure, the assets are split because they are two different asset types. In this case, there should be one RPI database asset code for the road, which would include the culvert because the culverts do not reach the capitalization threshold.

### 3.7 Real Property Internal Control Testing and Financial Statement Audit Requirements

As previously indicated, the current capitalization threshold for real property assets is \$100,000. In order to meet internal control testing and for financial statement audit requirements, the Service established a threshold of \$75,000 as the level for tracking acquisition costs and preparing acquisition documentation for constructed or purchased real property assets. This tracking threshold is supplemented by the Director's Memorandum on March 8, 2000, entitled "Tracking Maintenance Expenditures by Category and Individual Projects" (see [Appendix 4](#)), and subsequent clarifying Director's Memorandum on September 14, 2000, entitled "Mandatory Use of MMS Project Codes on Obligation Documents" (see [Appendix 5](#)). These memoranda require all projects above \$50,000 be tracked with a FFS project number. With the publication of this Handbook, this tracking policy is extended to all real property asset construction and improvement projects, regardless of funding source.

Documenting real property asset acquisitions between \$75,000 and \$100,000 is required in order to demonstrate the assets are below the FWS capitalization threshold. Assets in this range (\$75,000 – \$100,000) will also serve as population for internal control and financial statement audit testing purposes. FFS reports, such as the Selected Projects Status Report FW 61001,

DataMart Brio queries, appraisals, and agency transfer documents are acceptable as prima facie evidence for demonstrating whether the capitalization threshold has been met. For audit and internal control testing, Service Asset Maintenance Management System (SAMMS) reports are acceptable for the purposes of demonstrating that project costs are below the \$75,000 threshold.

Exhibit 5 summarizes the recording and reporting RPI database thresholds.

*Exhibit 5. RPI Database Recording and Reporting Thresholds*

RPI Database Recording and Reporting Thresholds	
≥ \$5,000	RPI database minimum asset recording threshold
≥ \$50,000	FFS project reporting level for all asset improvement projects
≥ \$75,000	FFS CPL project tracking
≥ \$100,000	Capitalization threshold

### 3.8 Real Property Capitalization Exclusion Policies

The Service defines specific conditions exempting certain real property assets from capitalization. Detailed information on each asset type is provided in the subsequent sections. Exhibit 6 lists the real property capitalization exclusions.

*Exhibit 6. Capitalization Exclusions*

Capitalization Exclusions
• Alaskan roads (2 year life cycle)
• Construction Work-in-Progress (CWIP)
• Assets below the capitalization threshold
• Federal transfers with Net Book Value (NBV) below capitalization threshold
• Heritage assets
• Incidental to land acquisitions – less than 15% of land value
• Incidental to land acquisitions – roads and bridges
• Incidental to land acquisitions – Not separately identified in the appraisal
• Newly discovered assets below applicable replacement cost threshold
• Assets not used in FWS operations
• Retired assets, not yet demolished or disposed
• Assets placed into interim non-productive status (retired in abeyance)
• Permanent improvements to stewardship land (beaches, earthen canals, dirt roads, earthen drainage ditches, levees/dikes, low hazard dams, nesting islands, unpaved trails, and earthen water impoundments)
• Service Managed not Service Owned assets
• Signs
• Change in asset productive status due to natural disasters

#### 3.8.1 Alaskan Roads

While the estimated useful life of most paved roads is well in excess of 2 years, in certain locations the estimated useful life is expected to be less than 2 years (i.e., Alaska). In accordance with general capitalization criteria, Alaskan roads may be exempt from capitalization. The Region

7 BFO should determine which roads are exempt from capitalization based on documented criteria and experience.

### 3.8.2 Construction Work-in-Progress

Expenses for assets that are not yet completed, but may be capitalized when placed into service (i.e., completed), are recorded in the CWIP general ledger account (see [Chapter 6, Section 6.3, Construction Work-in-Progress Reporting Process](#)).

### 3.8.3 Assets Below the Capitalization Threshold

Assets with an acquisition cost of less than \$100,000 are excluded from capitalization. Additions and improvements that do not meet the \$100,000 capitalization threshold are not capitalized either. Documentation is gathered and maintained for assets between \$75,000 (the preliminary tracking threshold) and the \$100,000 (the capitalization threshold for internal control testing and financial statement audit testing purposes). Acquisition documentation is not required for assets below \$75,000.

### 3.8.4 Federal Transfers with Net Book Value Below the Capitalization Threshold

Assets transferred from another Federal agency having a Net Book Value (NBV) less than the Service's capitalization threshold at the time of transfer are excluded from capitalization. The BFO is responsible for ascertaining the transferred asset's NBV.

### 3.8.5 Heritage Assets

Heritage assets are unique because of their historical, natural, cultural, educational, or artistic significance, and are expected to be preserved indefinitely. Heritage assets are excluded from capitalization. Heritage assets include assets that are National Historic Landmarks (NHL), listed in the National Register of Historic Places (NRL), or are National Register Eligible (NRE). Those assets are identified in RPI with a historic criteria classification in RPI. (See [Chapter 4, Section 4.2.2, Heritage Assets](#)).

### 3.8.6 Incidental to Land Acquisitions – Less than or Equal to 15%

Assets that are identified in stewardship land purchase appraisals and are less than or equal to 15% of the total appraised amount of the acquisition, are excluded from capitalization and considered incidental to the land purchase. However, use of this exemption depends on the operational significance of each asset and size and/or value of the acquisition. For example, using the 15% formula, a \$2 million land acquisition could permit exclusion of a \$300,000 asset as it is less than 15% of the total acquisition value. However, if a significantly valued asset is put into FWS operation that is essential in nature, the BFO should consider it for capitalization. BFOs are expected to use their discretion in applying this exclusion depending on the size of the acquisition, as well as the asset's significance and acquisition value.

### 3.8.7 Incidental to Land Acquisitions - Roads and Bridges

In accordance with the Department's Real Property Financial Management Policy (VII E.6.d), April 30, 2003, road or bridge assets that are part of a land acquisition are considered incidental to the land acquisition and should be excluded from capitalization. Water control structures that are coincidentally used as bridges are not included in this exemption.

### 3.8.8 Incidental to Land Acquisitions – Not Separately Identified in the Appraisal

Assets that are part of a Service stewardship land purchase, but are not separately identified in the appraisal, are considered incidental to the land acquisition and should be excluded from capitalization. However, if such an asset is used in FWS operations that are essential in nature,

the BFO should consider it for capitalization. Depending on the asset's value and its significance to Service operations, the BFO must determine whether or not to apply this exclusion policy.

### 3.8.9 Newly Discovered Assets not Required to be Capitalized

Newly discovered assets that do not meet the applicable replacement cost threshold criteria for acquisition cost reporting are excluded from capitalization (see [Chapter 7, Section 7.5, Newly Discovered Asset Reporting](#)).

### 3.8.10 Assets not Used in FWS Operations

Acquired assets that are not critical to the Service mission, are not used in FWS operations, and will not be disposed or demolished, are excluded from capitalization. For example, a Department of Defense (DoD) munitions bunker, acquired as part of a stewardship land acquisition would be excluded using this capitalization exclusion. Assets assigned this capitalization exclusion are entered into the RPI database to provide a complete inventory of all real property assets for financial statement purposes.

#### Example

A Department of Defense (DoD) munitions bunker acquired as part of a stewardship land acquisition is an example of a surplus asset not critical (i.e., not used) to the mission of the Service.

### 3.8.11 Permanent Improvements to Stewardship Land

The following assets are considered to be permanent improvements to stewardship land and therefore, are not capitalized:

- Beaches
- Canals (earthen)
- Dirt roads
- Drainage ditches (earthen)
- Levees/dikes
- Low hazard dams
- Nesting islands
- Unpaved trails
- Water impoundments (earthen)

### 3.8.12 Retired Assets

Retired assets have been either designated to be demolished and/or disposed of or are abandoned in-place. Retired assets are permanently excluded from capitalization (e.g., abandoned water control structures and hatchery pipelines). Retired assets no longer receive maintenance funding and have no SAMMS work order, but are retained in the RPI database in order to be available for financial statement audit existence testing.

### 3.8.13 Assets Placed into Interim Non-Productive Status (Retired in Abeyance)

When assets are placed into an interim non-productive status, they are considered "retirements in abeyance" and must be reported separately for accounting purposes according to FASAB. Retirements in abeyance serve as a subset of retired assets. Retired in abeyance assets are no longer used for FWS productive purposes for at least one year, but could be brought back into production at a later date. Hatchery pipelines that are no longer used, but could be brought back into production at a later date, are an example of a retirement in abeyance. This capitalization

exclusion is used by the BFO to notify DFM-DO of a change in asset status. When this capitalization exclusion is selected, the BFO must provide a brief explanation in the Financial Notes field.

If/when an asset is brought back into productive service, the retirement in abeyance capitalization exclusion is removed, notifying DFM-DO of the change from being in a retired in abeyance status, to being in a productive status.

### 3.8.14 Service Managed, not Service Owned Assets

In some situations, FWS performs maintenance on buildings and structures that are not owned by the Service. In order to secure maintenance funding for those buildings and structures, these assets must be entered into the RPI database as "Service Managed not Service Owned" and are excluded from capitalization. To use this acquisition type for buildings, a field station must authorize a formal agreement between the two entities acknowledging responsibility for maintenance and repairs. If a formal written agreement is not in place, such as a Memorandum of Understanding (MOU) or Memorandum of Agreement (MOA), the building asset should not be entered into the RPI database. To use this acquisition type for structures, SAMMS work orders must be issued for maintaining the structure by FWS personnel. If SAMMS work orders are not issued for non Service owned structures, those structures should not be entered into the RPI database. Because these properties are exempt from capitalization, acquisition values are not entered for Service managed not Service owned properties.

### 3.8.15 Signs

As established by FWS policy, all signs are excluded from capitalization.

### 3.8.16 Change in Asset Productive Status due to Natural Disasters

The change in asset productive status due to natural disasters temporary/interim capitalization exclusion can be used to notify DFM-DO of a change in an asset's productive status due to natural disasters, such as, damage due to hurricanes or floods. There are several reporting requirements when there are changes in asset productive status as a result of natural disasters. Complete information regarding reporting of natural disasters is contained in [Appendix 12](#) and [Appendix 13](#).

The BFO will use this capitalization exclusion after notification from the programs affected by natural disasters. When this capitalization exclusion is used, the BFO must select one of the following reporting classifications and report the classification in the Financial Notes section.

- PP&E Assets in Need of Repair
- PP&E Assets Destroyed
- PP&E Assets Impaired
- PP&E Capital Leased Assets Replaced or Restored (if required by the lease)
- Stewardship Assets Destroyed
- Stewardship Assets Damaged but not Destroyed

## 3.9 Newly Discovered Assets

Occasionally, during Comprehensive Condition Assessments (CCAs), assets are identified that are in service on FWS lands, but are not currently recorded in the RPI database. These assets are classified as Newly Discovered Assets. Unique procedures are used to determine the asset acquisition cost, because acquisition information regarding newly discovered assets is often unavailable or the assets are often significantly depreciated. Included in the procedures are detailed replacement cost threshold criteria to determine their materiality; if an acquisition cost needs to be included in FWS financial statements. The thresholds are \$1 million, \$500,000 and



\$100,000 respectively. Detailed procedures for applying the thresholds are provided in [Chapter 7, Section 7.5, Newly Discovered Asset Reporting](#). However, newly discovered assets are entered into the RPI database regardless of whether acquisition costs are entered.

For assets acquired after FY 1998 it is assumed that adequate documentation of the asset's acquisition cost is available in Service records. If documentation for an asset acquired prior to 1998 does not exist, the preferred method to develop an acquisition cost is to identify a similar asset and index the similar asset's acquisition period using the Engineering News Record (ENR) Indices (see [Appendix 8](#)). If a similar asset cannot be identified, threshold tests have been established to allow newly discovered assets to be considered immaterial to be exempt from financial reporting in [Chapter 7, Section 7.5, Newly Discovered Asset Reporting](#).

# 4.0 Stewardship and Heritage Assets

## 4.1 Chapter Overview

Stewardship assets provide intangible benefits to the Nation for an indeterminate duration, and are therefore accounted for differently than other U.S. Fish and Wildlife (FWS or the Service) real property assets. Stewardship asset acquisition costs do not need to be determined because they are not recorded for capitalization purposes (see [Chapter 3, Section 3.8, Real Property Capitalization Exclusion Policies](#)).

Federal financial statement rules require FWS to report the cost of improving existing stewardship assets as a separate non-productive cost in the Service's Annual Financial Report (AFR). Stewardship improvement costs are accumulated by identifying improvement projects on the Stewardship Asset Project List (SAPL). The Division of Financial Management (DFM) uses the SAPL to designate stewardship asset improvements in the Federal Financial System (FFS).

This chapter addresses:

- ✓ Characteristics of stewardship assets
- ✓ Identification of heritage assets
- ✓ Requirements for SAPL reporting

## 4.2 Characteristics of Stewardship Assets

Stewardship assets are investments in land, improvements to land, and heritage assets that provide intangible benefits to the Nation for an undefined duration. Because stewardship asset costs are considered non-productive, they are neither capitalized nor depreciated. Stewardship assets are different in nature from general property, plant, and equipment (PP&E) because they are assumed to provide intangible benefits to our nation's taxpayers for an indeterminate duration. Stewardship assets and any improvements to these assets are expensed as costs are incurred.

FWS designates five types of stewardship assets described in the subsequent sections of this chapter, and shown below:

- Stewardship land
- Assets acquired incidental to stewardship land acquisitions
- Permanent improvements to stewardship land
- Heritage assets
- Multiuse heritage assets

### 4.2.1 Stewardship Land<sup>4</sup>

Stewardship land is any land owned by the Federal government and not acquired for, or in connection with, other general PP&E. Typically, stewardship land is held for its natural or cultural significance (i.e., park land and wildlife refuges). Stewardship land does not have an identifiable financial value and is not recognized in financial statements. In addition, any land which came into Government ownership as public domain land remains stewardship land regardless of how the land is used by the Service since the cost of this land is not identifiable.

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<sup>4</sup> The stewardship land definition was developed in accordance with the U.S. Department of the Interior Real Property Financial Management Policy, dated April 30, 2003 ([http://www.doi.gov/pfm/finstate/real\\_property\\_guide.pdf](http://www.doi.gov/pfm/finstate/real_property_guide.pdf)).

#### 4.2.1.1 Assets Acquired Incidental to Stewardship Land Acquisitions

Assets acquired incidental to stewardship land acquisitions (e.g., buildings, structures) located on stewardship land when it is acquired by the Service, are not considered material real property components of the acquisition and are not capitalized. Generally, real property assets valued at less than 15% of the land acquisition, not separately identified in the land acquisition appraisal, or not used in Service operations, are not capitalized. However, significant assets meeting one of these qualifications, but used in Service operations may be treated as general purpose real property assets for capitalization purposes (see [Chapter 3, Section 3.8, Real Property Capitalization Exclusion Policies](#)).

#### 4.2.1.2 Permanent Improvements to Stewardship Land

Permanent Improvements to Stewardship Land (PISL) include earthen assets that are located on stewardship land. PISL are excluded from capitalization and are identified in the Real Property Inventory (RPI) database by asset code.

Exhibit 7 presents FWS PISL classification types and corresponding asset codes.

*Exhibit 7. Permanent Improvements to Stewardship Land*

Asset Type	DOI Asset Code	Asset Type	DOI Asset Code
Beach	40750600	Levees/Dikes	40160400
Canals (earthen) <sup>5</sup>	40160121	Nesting Islands	40801300
Dirt Roads	40760300	Water Impoundments (earthen) <sup>5</sup>	40160110
Drainage Ditches (earthen) <sup>5</sup>	40160130	Trails Unpaved	40751100
Dams Low Hazard	40160320		

#### 4.2.2 Heritage Assets

Heritage assets, which are historical properties under the National Historical Preservation Act, are assets that are unique because of their historical, natural, cultural, educational or artistic significance, and are expected to be preserved indefinitely. Heritage assets are excluded from capitalization and include assets that are National Historic Landmarks (NHL), listed in the National Register of Historic Places (NRHP), or are eligible for inclusion in the NRHP.

The RPI database assigns six Historic Criteria classifications to assets, as shown below:

1. National Historic Landmark (NHL) - requires reporting on the Stewardship Asset Project List (SAPL)
2. National Register Listed (NRL) - requires reporting on the SAPL
3. National Register Eligible (NRE) - requires reporting on the SAPL
4. Non-contributing element of NHL/NRL
5. Evaluated, not historic
6. Not evaluated

<sup>5</sup> Only canals, drainage ditches and water impoundments constructed from earthen materials are exempt from capitalization as stewardship assets. Canals, drainage ditches and water impoundments constructed with steel and concrete should not be exempted from capitalization and should retain their original asset type designation.

### 4.2.3 Multiuse Heritage Assets

Heritage assets are considered multiuse if 51% or greater of the asset is used for FWS operations. Multiuse heritage assets are considered general purpose real property assets for acquisition and capitalization purposes. If less than 51% of the asset is used for FWS operations it should be considered a stewardship asset and should not be capitalized.

## 4.3 Stewardship Asset Project List Reporting

SAPL is similar to the Regional Construction and Deferred Maintenance Project List (CDMPL), in that it identifies and tracks on-going asset improvement projects (see [Chapter 5, Section 5.3, Regional Construction and Deferred Maintenance Project List Preparation](#)). DFM uses SAPL to identify and track the cost of improving stewardship assets as a separate non-productive cost reported in the Service's AFR by designating improvement projects costs in FFS. The two types of asset groups tracked by SAPL are improvement projects involving permanent improvements to stewardship land and heritage assets.

### 4.3.1 Identifying Stewardship Asset Projects

Stewardship asset projects are identified by checking all improvement projects on the Regional CDMPL and determining if they are (1) a PISL (see [Chapter 4, Section 4.2.1.2, Permanent Improvements to Stewardship Land](#)) or (2) are classified as a heritage asset (see [Chapter 4, Section 4.2.2, Heritage Assets](#)) in the RPI database (see [Chapter 5, Section 5.3 Regional Construction and Deferred Maintenance Project List Preparation](#) and [Section 5.4 Regional Capitalized Project List Preparation](#)). Both data elements are identified in the RPI database by asset code. When a stewardship asset project is identified on the Regional CDMPL, it should be entered on the Regional SAPL and deleted from the Regional CPL.

### 4.3.2 Preparing the Regional Stewardship Asset Project List

The SAPL is similar to the Regional CPL. The reporting threshold for Stewardship Asset Projects and Capital Projects is \$75,000. However, because stewardship asset improvements are not capitalized, they do not require acquisition documentation. The project improvement costs are accumulated in FFS by DFM by designating and tracking them as either (1) permanent improvements to stewardship land, or (2) improvements to heritage assets. FFS projects will remain on the SAPL for the full fiscal year.

### 4.3.3 Regional Stewardship Asset Project List Report Format

Exhibit 8 provides the format for reporting the Regional SAPL.

*Exhibit 8. Regional Stewardship Asset Project List Report Format*

FFS Project Number(s)	Project Description	Asset Number	Estimated Cost	PISL / HA
2957E9GG	Raise Dikes	10037929	\$150,000	PISL
2971E9AQ	Historic ADA Access	10333456	\$111,000	HA
2972E9AQ	Improve Ditches (earthen)	10033457	\$100,000	PISL

# 5.0 Regional Construction and Deferred Maintenance Project List / Regional Capitalized Project List

## 5.1 Chapter Overview

The Construction and Deferred Maintenance Project List (CDMPL) is a key document prepared by each Region containing an inventory of all real property asset projects involving repairs and improvements above the \$75,000 review threshold. The CDMPL is prepared by the Regional Budget and Finance Office (BFO). The Regional Engineer REN and Regional Offices (from their respective field stations) provide project information to the BFO for inclusion in the CDMPL prior to the start of a project and are required to notify the BFO upon project completion. The Regional CDMPL is the most important tool for successfully managing real property assets' acquisition costs. The Regional CDMPL enables the BFO to make informed real property acquisition management decisions based upon complete and reliable data. The Regional CDMPL also allows the BFO to anticipate upcoming documentation requirements, thereby enabling the BFO to develop a plan for receiving applicable information, while also formulating an approach for managing future projects and land acquisitions. The Regional CDMPL is the basis for preparing the Regional Capitalized Project List (CPL) which is sent to the Division of Financial Management (DFM) and is used to input information into the Federal Financial System (FFS). Real property data entered into FFS is used in preparing the FWS annual financial statements.

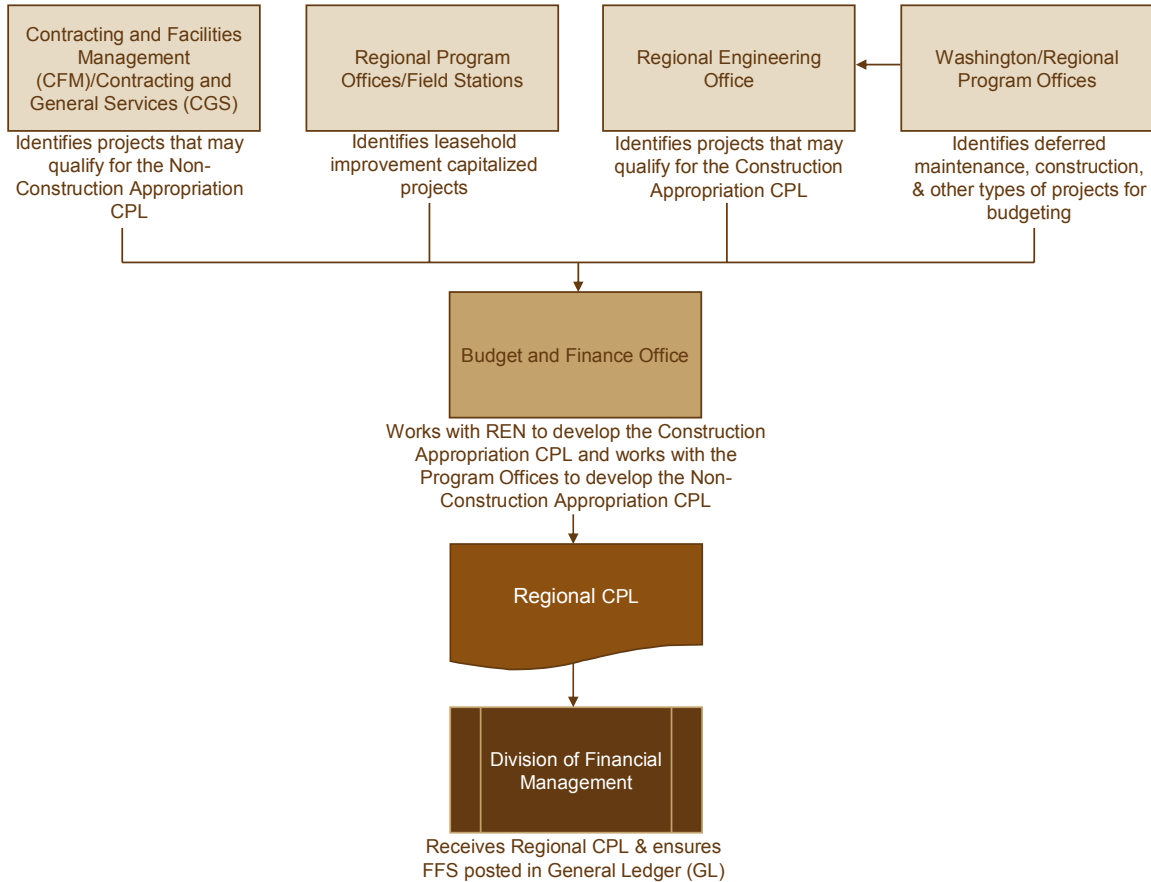
This chapter specifies the necessary activities required to develop and utilize the CDMPL and the CPL. The Regional CDMPL is used as a mechanism to document and precisely implement the classification decisions outlined in the previous chapters.

This chapter addresses:

- ✓ Sources of real property acquisitions
- ✓ Regional CDMPL preparation
- ✓ Regional CPL preparation
- ✓ Reimbursable construction projects
- ✓ Regional Construction Work-in-Progress (CWIP) reporting cycle

Exhibit 9 illustrates the coordination required to complete the Regional CPL.

Exhibit 9. Capitalized Project List Process



## 5.2 Real Property Acquisition Sources

The U.S. Fish and Wildlife Service (FWS or the Service) acquires real property assets externally (through volunteer work, transfers, and donations) and internally (through FWS appropriations).

**External Sources** – Approximately half of the Service's real property acquisitions occur through external sources. Given this proportion and recognizing that FFS reports will not serve as notification of asset acquisition activity, it is helpful for the BFO to coordinate closely with Regional Office field supervisors, program managers, and project leaders to identify potential donations, transfers, withdrawals, and exchanges. After discussions with the program staff, the BFO should work with Federal and non-Federal agencies, as well as donating parties to secure real property asset information before the acquisition is ready to be entered into Real Property Inventory (RPI) database.

The following information should be prepared prior to processing the externally acquired asset in the RPI database:

- Acquisition type classifications
- Lumping and splitting decisions
- Capitalization exclusions decisions

**Internal Sources** – Internal acquisitions of real property assets comprise approximately half of all FWS real property acquisitions (FWS appropriations). For an internal acquisition, the BFO must coordinate closely with REN, Regional Office field supervisors, Asset Management Coordinators (AMCs), Federal Land Highway Administration (FLHA) program staff, fire program managers, and project leaders to identify potential funding sources for capitalized real property assets.

Exhibit 10 is a list of possible internal real property acquisition funding sources.

*Exhibit 10. Internal Real Property Acquisitions Sources*

Budget Authority	Subactivities
Resource Management – Operations	1261, 1310, 1311
Resource Management – Maintenance Management	1262, 1260, 1321, 1322
Construction	2810, 2821, 2822, 2830, 2855, 2693, 2694, 2696, 2698, 29xx
Migratory Bird Conservation Account	3320, 3210
Land and Water Conservation Account	8422, 8442, 8452, 8453, 8454, 8471
Reimbursable Funds	19xx
Fire	9242, 9262
Federal Lands Highway Administration	8555

Once asset funding is confirmed (prior to the establishment of a project number) the REN and BFO should contact the appropriate program staff to ensure acquisition decisions are properly planned and scoped to obtain the appropriate acquisition documentation.

The following information should be prepared prior to processing the internally acquired asset in the RPI database:

- Acquisition type classifications
- Repair, rehabilitation, and improvement decisions
- Lumping and splitting decisions
- Capitalization exclusion decisions

### 5.3 Regional Construction and Deferred Maintenance Project List Preparation<sup>6</sup>

The Regional CDMPL provides the BFO with a comprehensive list of all real property acquisition projects (e.g., Construction, Deferred Maintenance, FLHA,) that result in new assets, as well as improvements and repairs to real property assets greater than \$75,000. Each Region must prepare and keep the CDMPL up to date as projects are added or removed (i.e., cancelled).

<sup>6</sup> Under a consolidated administrative services agreement, Region 1 Regional Offices are responsible for all real property financial management activities for Region 8.

Below are five examples of CDMPL decisions:

#### Example 1

Construction of a \$14 million visitor education center

- **Description**

The Service is constructing a \$14 million visitor education center. While in final design, Congress adds \$500,000 in the form of an additional appropriation (with a separate FFS project number) for a detached maintenance facility supporting the refuge's operation. After conferring with the committee staff, the maintenance wing was later attached to the main structure. Shortly after construction, an area of the center was built-out and modified up to Department of Homeland Security (DHS) standards to house a Law Enforcement Senior Resident Agent (LE SRA).

- **CDMPL Decision**

The maintenance wing had (1) a separate appropriation and (2) vastly different functions than the visitor center, however, a decision was made to lump the maintenance wing with the visitor center because it was directly attached to the visitor center. Also included was the cost of the build-out for housing the LE SRA Office (funded with LE Resource Management funds). The parking lots were separated into public and non-public asset numbers, as were the attendant entry roads. Nearby transformers (outside the building) were included as integral to the building, but distant pump stations were provided a separate RPI database asset number.

#### Example 2

Construction of a \$7 million ferret reproduction center

- **Description**

The Service is constructing a \$7 million ferret reproduction center. This facility was built over a three year period with various assets placed into service at different times. Included were an office, laboratory, prairie dog processing facility, entry road, well and water distribution system, back-up generator for the entire complex, residences, quarantine building, and two sets of zoo-quality cages (10 feet concrete foundations and floors, and heavy duty predator fencing overhead).

- **CDMPL Decision**

A decision was made to separate the office, residences, laboratory, prairie dog processing facility, and cages because the asset's have (1) different asset types with different life cycles, (2) different SAMMS work order and tracking requirements, and (3) different functionalities. The generator system was considered a real property asset rather than a personal property asset because it was housed in a separate building and could not be readily removed without affecting the structural integrity of the building. The well and distribution system was considered a single separate asset.



### Example 3

#### Dam Rehabilitation<sup>7</sup>

- **Description**

A high hazard dam rehabilitation project was funded from the Construction Appropriation at a cost of \$12 million. Major concrete and steel spillway components were replaced, as well as rip rap at key points. The spillways added filtering and water quality monitoring features that were not part of the original spillway. The earthen cap was replaced with a clay cap, which is considered a superior material. In addition, the clay cap raised the height of the dam by 24 inches allowing the dam to store more water. The remainder of the work to the dam walls was rehabilitative in nature and was therefore, considered a repair.

- **CDMPL Decision<sup>8</sup>**

Although the spillway was modernized somewhat with the additional features, the basic functionality of controlling the water outlet did not change; thus the full cost of the spillway was not capitalized. The clay cap, while superior in materials, did not add *significant* asset life beyond normal life expectancy.

### Example 4

#### Capitalized Leasehold Improvements

- **Description**

The Service needed to make \$250,000 in improvements to a Regional Office operating within a U.S. General Service's Administration (GSA) leased asset, partly funded outright and partly amortized into lease payments.

- **CDMPL Decision<sup>9</sup>**

The Service paid \$110,000 for improvements to Regional Office leased space directly to the lessor under a GSA reimbursable work authorization (RWA). That amount was posted to the Regional CPL.

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<sup>7</sup> These types of modernization and capacity situations demonstrate the need for the BFO to determine significance of the repair/improvement in the capitalization decision making process and the wide range of subjective judgments rendered by engineers and accountants in making capitalization decisions.

<sup>8</sup> A more complex consideration was how to treat the additional capacity added by the clay cap. Although the additional 24 inches provided by the clay cap added dam capacity, the additional amount of water storage was less than 10% and therefore the cost of the clay cap was not capitalized. If the additional water capacity had increased more than 10% the clay cap may have been capitalized.

<sup>9</sup> Although these improvements were capitalized assets, they could not be assigned an RPI asset number and, therefore, were not included in the Regional CPL and RPI. Rather, the capitalized costs were reported to DFM in an e-mail. The remaining improvements (\$120,000) were paid to GSA by amortizing them into the lease payments over the remaining life of the lease.

### Example 5

#### Building Addition

- **Description**

A 1,500 square foot wing addition is being planned for an existing 10,000 square foot office building at an estimated cost of \$150,000. The new wing is not a totally new asset, but rather an addition to an existing asset. The entire building is a single entity asset from a real property management perspective. A single entity asset also simplifies issuing SAMMS work orders since it alleviated the need to create multiple work orders for multiple assets.

- **CDMPL Decision**

A subasset<sup>10</sup> number was automatically generated for the building wing addition.

## 5.4 Regional Construction and Deferred Maintenance Project List Format Suggestions


There is no prescribed format for the Regional CDMPL as it is a Regional tool for accumulating project information for assets above \$75,000; data entered in the Regional CDMPL feeds to the Regional CPL and should be adaptable for Regional use.

At a minimum, the Regional CDMPL should include the following information on each asset:

- RPI database asset number
- Old asset number (if applicable)
- FFS project number
- Classification as a repair, replacement, addition, improvement, or new asset
- Identification of RPI database capitalization exclusion, if applicable
- Available for service status (e.g., active, complete, on-hold)
- Available for service date

Exhibit 11 presents a sample format for the Regional CDMPL.

*Exhibit 11. Regional Construction and Deferred Maintenance Project List*

 <b>Construction and Deferred Maintenance Project List (CDMPL)</b>													
Region:										Date:			
RPI Asset Number	Capitalized FFS Project Number	Organization Code	Station Name	Project Description	Purpose: New, Addition, Repair, Improvement	Type of Construction	Project Status: Active, On Hold, Complete	Residual Cost	Contract DCN	Capitalized or Expensed	Reconciled with DFWM 1720 Report	Estimated In Service Date	Comment
XXXXX	XXXXX	XXXXX	Sample Entry	Sample Entry	Sample Entry	XXXXX	XXXXX	XXXXX	XXXXX	Y/N	Y/N	XXXXX	

## 5.5 Regional Capitalized Project List Preparation

The Regional CPL serves as a comprehensive inventory of all real property acquisitions funded by FWS appropriations. There are additional accounting tracking and reporting requirements for

<sup>10</sup> RPI provides a tracking mechanism called a subasset that enables major improvements to be incorporated into primary assets, while still recording the cost of the improvement project. The subasset provides a single entity asset record in order to simplify SAMMS work ordering by limiting the number of assets. The sub-asset accomplishes this treatment by appending a suffix to the asset number. More information on the use of subassets is provided in [Chapter 8, Section 8.2.18, Subasset Portal](#).

Regional CPL projects that include capitalized assets or assets that may be capitalized. The early identification of construction and capitalized improvement projects is essential in order to fully accumulate all engineering costs in FFS as these costs are incurred. The CWIP reporting process is described in [Chapter 6, Section 6.3, Construction Work-in-Progress Reporting Process](#).

The Regional CPL should include all anticipated and/or active real property projects budgeted for \$75,000 or more. The \$75,000 threshold is an internal control to ensure all projects approaching the capitalized threshold of \$100,000 are monitored. As a practical matter, if there is a question whether to include a project on the Regional CPL, it is advisable to include projects rather than exclude projects. It is much easier to expense accumulated CWIP costs in FFS at a later date rather than recapturing and reclassifying them for capitalization after the fact.

When BFOs identify a project for inclusion on the Regional CPL it should be noted by placing the annotation “CWIP” in front of the RPI database Property Description. This will assist BFOs with the Regional CWIP reconciliation process. This annotation should be made by Asset Maintenance Coordinators (AMCs), Facility Management Coordinators (FMCs), and/or other program staff, as appropriate.

Capitalized construction projects that are on hold due to financial, legal, political or other reasons must be maintained on the Regional CPL and noted as “inactive”. The Division of Financial Management – Denver Operations (DFM-DO) will accumulate the costs in FFS related to the inactive project and transfer it to a subcategory of CWIP called "Construction in Abeyance". The RPI database does not have a separate capitalization exclusion for this category.


### 5.5.1 Regional Capitalized Project List Reporting Requirements

The Regional CPL should contain the following information:

- RPI database asset number
- FFS project number(s)
- Organization Code
- Estimated fund target and/or project amount
- Project description
- Type of construction (e.g., new construction, addition to an existing asset, capital improvement on existing asset)
- Status of project (i.e., feasibility design, under construction, available for service but not complete, complete, inactive)
- Estimated available for service date
- Replacement of asset and asset number

Exhibit 12 is the required format for submitting the Regional CPL Report.

*Exhibit 12. Regional CPL Report*

		Capitalized Project List (CPL)						
		Region:			Date:			
Asset Number	Capitalized FFS Project Number	Organization Code	Project Amount	Project Description	Type of Construction	Project Status	Estimated in Service Date	Replaced Asset
XXXX	XXXX	XXXX	Sample Entry	Sample Entry	XXXX	XXXX	XXXX	XXXX

## 5.5.2 Real Property Inventory Database Asset Number Assignments

An RPI database asset number is required on the Regional CPL in order to properly match the 1720 CWIP Report with the RPI database when the final real property acquisition costs are posted in FFS. The RPI database asset number should be established when costs that will be capitalized begin accumulating in FFS. The RPI database asset number may be obtained from the refuge and hatchery FMCs or other program managers.

## 5.5.3 Federal Financial System Project Number Assignments

For the CWIP general ledger account to capture all appropriate costs, it is important that BFOs include all FFS project codes involved in new real property construction or improvements. Incomplete FFS project reporting understates the CWIP general ledger account and requires further work, after the fact, by DFM and BFOs when the asset is capitalized. BFOs can prevent incomplete reporting by researching FFS to identify additional project numbers charged to construction contracts (the DXRF and OBLL screens are particularly helpful).

An FFS project number must be designated for FFS CWIP reporting by DFM. The inclusion of FFS project numbers in the Regional CPL by BFOs and Program staff does not designate it for accumulation in the CWIP general ledger account balance. This designation includes the project on the DFM 1720 CWIP Report and is accomplished through the CPL process in the Division of Financial Management – Washington (DFM-WO).

FFS project numbers may be assigned by a variety of staff including AMCs, program analysts, RENs, and other Budget and Finance Office staff. Unfortunately, because of competing needs within FFS and other financial and program reporting requirements, it is sometimes difficult to designate one FFS project number for a single real property asset project. Examples of specific conflicts and resolutions related to FFS project number assignment are outlined in the subsequent three sections.

### 5.5.3.1 Maintenance and Capitalized Improvement Activities within the Same Federal Financial System Project Number

Programs often assign an FFS project number to a project containing both repair and improvement features. BFOs should direct programs to assign separate FFS project numbers for maintenance and capitalized improvement activity, where practical. Likewise, Service organizations should refrain from recording new construction of capitalized and non-capitalized assets within the same FFS project number. Although it may be one project in program terms, separate identification allows identification for CWIP and capitalization purposes. Otherwise CWIP is understated and the BFO will have to separate the costs to determine acquisition costs.

In reality, due to cost overruns and administrative simplicity, this commingling may be unavoidable. When this occurs, the FFS project number for the entire project should be placed on the Regional CPL and noted as a mixed asset project. When the capitalization is processed, the BFO will need to separate the improvement and maintenance features and related costs.

### 5.5.3.2 Multiple Assets with a Single Funding Source

When multiple assets will be constructed under a single or series of FFS project numbers, BFOs should utilize a "proportionate share" methodology to allocate costs to each asset. In addition to construction costs, these costs could include engineering services costs. Suggested allocation methodologies include: percentage of direct asset costs, percentage of area/space, etc. For larger projects, to ensure construction costs are properly allocated, the contract bid package should include a requirement that the contractor provide the line item cost of each identifiable asset and RENs should approve payments according to an asset Schedule of Values. A contractor's general condition costs should be prorated for each asset.

### 5.5.3.3 Multiple Funding Sources

A real property asset may be funded by several budget subactivities and FFS project numbers. As a general accounting practice, using multiple FFS project numbers on a single asset is discouraged. However, given the FFS requirements to use FFS project fields for financial reporting purposes, single-use FFS project number fields are not always available for CWIP tracking. The Regional Program Offices should strive to ensure (within FFS limitations) that all funding sources for the capitalized assets have a unique FFS project number and are listed on the Regional CPL.

*BFOs can prevent incomplete reporting by researching FFS to identify additional field station project numbers that are charged to field construction contracts and by working closely with AMCs to ascertain when field stations are charging station funds for real property asset projects. SAMMS reports are helpful in identifying incomplete reporting and facilitate research to be performed in FFS.*

## 5.6 Reimbursable Construction Projects

Construction projects performed under reimbursable agreements between FWS and other Federal agencies require additional consideration. Reimbursable agreements involving real property assets commonly involve facilities that the Service operates, but does not own. If the Service enters into a reimbursable agreement with another agency to construct and operate another agency's facility, the project should not be listed on the Regional CPL because the facility is owned by another agency and it is assumed that the other agency will include the project in its CWIP general ledger accounts. This assumption should be verified by the Budget and Finance Officer.

However, if the agreement specifies the property is to be transferred to the payee or grantee upon completion of the project, the FFS project number should be listed on the Regional CPL and included in the 1720 CWIP Report. It is assumed the other agency will not include the project in its CWIP general ledger accounts. Upon completion, the Regional Office will report to DFM (on the Regional CPL) that the project is complete and the property was transferred to another entity. The name of the transferee and conditions of transfer should be reflected in the RPI database Financial Page Finance Notes field. The asset should then be reclassified in the RPI database as "Service Managed not Service Owned" and excluded from capitalization.

## 5.7 Regional Construction Work-in-Progress Reporting Cycle<sup>11</sup>

Regional offices complete the Capitalized Project Update Form when adding new projects and submit it to DFM to flag for inclusion on the 1720 CWIP Report. DFM will issue to Regional BFOs a list of projects flagged to be added to the 1720 report. Regional BFOs are required to update and verify their Regional CPL on a quarterly basis for the first three quarters of the fiscal year and monthly during the last quarter of the fiscal year. The detailed reporting requirements for Regional CPL and CWIP reporting are provided in [Chapter 6, Section 6.3, Construction Work-in-Progress Reporting Process](#) and the CWIP process narrative (see [Appendix 6](#)).

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<sup>11</sup> Under a consolidated administrative services agreement, Region 1 Regional Offices are responsible for all real property financial management activities for Region 8.

# 6.0 Reporting Construction Work-in-Progress

## 6.1 Chapter Overview

The Construction Work-in-Progress (CWIP) general ledger account is a trial balance holding account that captures the detailed expenses incurred in the design and construction of buildings and structures meeting the Service's capitalization rules and threshold. At the point when the building or structure is accepted or placed in service (even if the construction contract remains open), the value of costs associated with the building or structure accumulated in the CWIP general ledger account, is transferred to a real property general ledger asset account.

At the point when assets are accepted or placed in service, the acquisition costs are recorded in the Real Property Inventory (RPI) database. If there are one-to-one matching of Federal Financial System (FFS) project codes and assets, the recorded cost in the CWIP general ledger account will match the RPI database acquisition cost. In other cases, projects may involve several FFS project numbers or may include both capitalized assets and non-capitalized assets. Therefore, a one-to-one match is not likely, in which case the Division of Financial Management (DFM) and Regional Budget and Finance Offices must identify the variances between the CWIP general ledger account and the RPI database and reconcile the differences.

This chapter addresses:

- ✓ CWIP roles and responsibilities
- ✓ CWIP reporting process
- ✓ CWIP posting process

## 6.2 Construction Work-in-Progress Roles and Responsibilities

The organizations involved in managing the CWIP general ledger account includes:

- Washington Program Offices
- Regional Engineering Offices
- Regional Budget and Finance Offices
- Regional Program Offices
- Division of Financial Management
- Division of Engineering (DEN)

### 6.2.1 Washington Program Offices

Washington Program Offices are responsible for allocating funds for repairing, improving, and constructing real property assets.

### 6.2.2 Regional Program Offices

Regional Program Offices establish and manage real property asset project budgets for repairing, improving, or constructing real property assets and assign FFS project codes to those activities at the beginning of the fiscal year. Regional Program Offices assign new property asset numbers and enter project descriptions into the RPI database when capital costs begin accumulating in FFS. They also identify the projects to the BFO for inclusion on the Regional Capitalized Project List (CPL).

When projects resulting in real property assets or improvements funded by the program subactivities (other than Construction Appropriation) are accepted or placed in service, Program staff should notify the Budget and Finance Office within five days. In partnership with the BFO, the Regional Program Office should gather the project cost documentation for the Budget and

Finance Officer review and reconciliation with the Regional CPL Report. At the direction of the BFO, program staff should delete the “CWIP” prefix from the Property Description field in the RPI database on the RPI Short Form Page (see [Chapter 5, Section 5.4, Regional Capitalized Project List Preparation](#)).

### 6.2.3 Regional Engineers

RENs are responsible for providing information to the BFO for inclusion on the Regional CPL for the Construction Appropriation (i.e., subactivities 26XX, 28XX, and 29XX) and for non-construction appropriation projects managed by RENs on behalf of Regional Program Office staff. DEN is responsible for coordinating the assignment of FFS project numbers for the Construction Appropriation.

When assets funded by the Construction Appropriation are accepted or placed in service, the REN should notify the BFO and gather the cost documentation for BFO review and reconciliation with the 1720 CWIP Report. The REN should also gather the cost documentation for program-funded real property asset projects that are managed by the REN, such as major Deferred Maintenance projects.

### 6.2.4 Regional Budget and Finance Officers

BFOs are responsible for preparing the Regional CPL. BFOs are also responsible for coordinating the assignment of FFS project numbers for all program funds other than the Construction Appropriation (i.e., subactivities 26XX, 28XX, and 29XX) to ensure compliance with CWIP reporting requirements.

While program funded projects are being completed, the assets will be temporarily excluded from capitalization in the RPI database because of the CWIP capitalization exclusion designation (see [Chapter 3, Section 3.8, Real Property Capitalization Exclusion Policies](#)).

When real property asset projects funded by program subactivities are above \$75,000 and are accepted or placed in service, the BFO, REN, and Program staff are responsible for gathering the project cost documentation for BFO review and submitting to DFM for reconciliation with the 1720 CWIP Report.

If construction projects are capitalized that have not been previously identified on the Regional CPL, the capitalized costs must be recaptured from previous expense costs in FFS. In those cases, BFOs are responsible for identifying the detailed FFS components of the capitalized cost. This may include identifying all purchase orders, contracts, and specific payroll costs (by pay period and name) when specific FFS project numbers are not assigned to for a capital construction project. The latter would include screen prints from FFS DXRF and PLVT tables for those contracts and not included in CWIP reports.

### 6.2.5 Division of Financial Management

DFM receives and reconciles the Regional CPLs to the 1720 CWIP Report. When new asset acquisitions are recorded in the RPI database, DFM coordinates the reconciliation of differences between accumulated costs in the 1720 CWIP Report and the RPI database acquisition costs. When reconciled, DFM records the real property acquisition cost in the appropriate standard general ledger accounts. DFM monitors additional residual project construction costs to ensure the RPI database acquisition costs are updated in a timely manner. DFM also serves as the Region 9 BFO by completing the Region 9 CPL in coordination with the DEN.

### 6.2.6 Division of Engineering

For projects managed by DEN which result in newly constructed capitalized assets, DEN will notify DFM to include these assets in the R9 Regional CPL. DEN is responsible for providing the Regional BFOs with the proper acquisition documentation, as requested by the BFO, when Regional projects are completed.

## 6.3 Construction Work-in-Progress Reporting Process

The 1720 CWIP Report is an FFS report (FWS 33504) that includes all FFS projects designated as new real property acquisitions or improvements. The report also lists FFS project disbursements for certain capitalized budget object classes regardless of subactivity. After FFS transactions are identified, the report feature alerts DFM and BFOs to the likelihood of on-going projects which may not be properly included in Regional CPLs.

Exhibit 13 presents selected capitalized budget object classes.

*Exhibit 13. Budget Object Classes*

Budget Object Classes	
322B	Bridges – Constructed
322C	Bridges – Purchased
322D	Dams – Constructed
322E	Dams – Purchased
322R	Roads – Constructed
322S	Roads – Purchased
323B	Buildings – Constructed
323C	Buildings – Purchased
323H	Real Property Improvements
323Y	Other Structures and Facilities – Constructed
323Z	Other Structures and Facilities – Purchased
324J	Capitalized Major Machinery and Fixed Equipment

The 1720 CWIP<sup>12</sup> Report process follows two co-joined processes on monthly and quarterly cycles.

### Construction Work-in-Progress Reporting Cycle

1. The Regional Office will use the 'Capitalized Project Code Update Form' to add new projects to the 1720 CWIP holding account. (See [Appendix 14](#))
2. The Regional Office will identify the following;
  - a. If the 'Project Code' being requested is for a real property asset
  - b. If the project is a capitalized improvement or repair (see [Chapter 3](#))
  - c. If the projected asset cost is \$75,000 or greater
3. DFM-DO will process the Capitalized Project Update Form and add the identified projects to the 1720 CWIP account. Please note projects will not appear on the 1720 report until costs are incurred by the project.

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<sup>12</sup> While projects are classified as CWIP they should have two designations in RPI. The project should be designated for capitalization exclusion "CWIP" in the RPI Finance Page and the RPI property description should contain the prefix "CWIP".



Exhibit 14 shows the monthly CWIP reporting cycle.

*Exhibit 14. Monthly Construction Work-in-Progress Reporting Cycle*

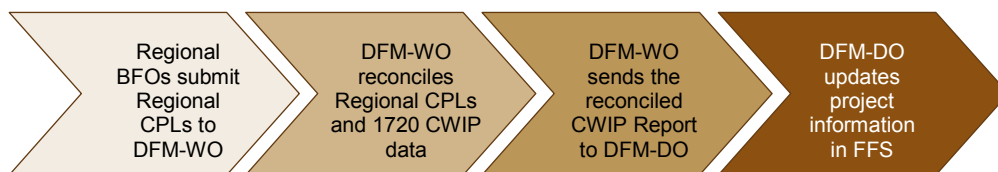


### Quarterly Construction Work-in-Progress Reporting Cycle<sup>13</sup>

1. DFM generates and distributes a 1720 CWIP Report (FWS 33504) to the BFOs quarterly for the first three quarters of the fiscal year and monthly during the fourth quarter of the fiscal year, on the 1<sup>st</sup> business day of each period.
2. Regional BFOs submit their Regional CPL to DFM-WO quarterly for the first three quarters of the fiscal year and monthly during the fourth quarter of the fiscal year, by the 10<sup>th</sup> calendar day after the start of the period. The CPL due dates are:
  - December 10 for 1<sup>st</sup> quarter
  - March 10 for 2<sup>nd</sup> quarter
  - June 10 for 3<sup>rd</sup> quarter
  - August 10 for July Month End
  - September 10 for Fiscal Year End
3. DFM-WO uses the Regional CPLs to reconcile the 1720 CWIP data and any differences between CWIP general ledger account balances and the RPI database, for completed assets.
4. DFM-WO sends the reconciled CWIP Report to DFM-DO.
5. DFM-DO uses the reconciled 1720 CWIP Report from DFM-WO to update FFS.

Exhibit 15 shows the quarterly CWIP reporting cycle.

*Exhibit 15. Quarterly Construction Work-in-Progress Reporting Cycle*



## 6.4 Construction Work-in-Progress Posting Process

In contrast to the iterative nature of the CWIP 1720 Report process, the Construction CWIP posting process is a linear transaction process of expensing and capitalizing. The posting process involves the following four steps:

1. Determining the asset status
2. Recording acquisition cost in the RPI database
3. Comparing CWIP general ledger account balances and the RPI database
4. Adjusting recorded acquisition cost for residual costs

<sup>13</sup> Under a consolidated administrative services agreement, Region 1 Regional Offices are responsible for all real property financial management activities for Region 8.

### 6.4.1 Determining Asset Status

Real property assets under construction remain in the CWIP general ledger account until the property is either accepted or placed in service. This may be prior to final inspection and correction of deficient items and also before final acceptance and/or approval of final payment by the Contracting Officer. For instances when there is no formal acceptance date the accepted or placed in service date is the date when the asset is available for beneficial use.

### 6.4.2 Recording Real Property Inventory Database Acquisition Cost

Once the asset is accepted or placed in service, the REN or respective Program Office should notify the BFO that the asset has been accepted or placed in service. The acquisition cost documentation is gathered by program staff, the REN, or the BFO for review and reconciliation with the CWIP general ledger account balance in FFS. The recorded acquisition cost in the RPI database (per the Financial Page) should reflect the original acquisition cost plus improvement costs, as determined by the supporting project cost documentation. Two examples of acquisition cost analyses are provided in [Chapter 7, Sections 7.4.2, Constructed](#). When the acquisition documentation is complete and verified, the financial information should be entered into the RPI database by the BFO.

### 6.4.3 Comparing Construction Work-in-Progress and Real Property Inventory Database

Variances between the acquisition costs entered in the RPI database and the accumulated costs recorded in the CWIP general ledger account will cause discrepancies between the RPI database and Service financial records in FFS. DFM will analyze the cumulative costs reported in the 1720 CWIP Report and the acquisition costs recorded in the RPI database to reconcile variances. If values in the 1720 CWIP Report are less than those in the RPI database, the BFO must identify expenses to be recaptured for capitalization. If values in the 1720 CWIP Report are greater than the RPI database, the BFO must identify costs that were erroneously capitalized or projects that should not have been designated for inclusion on the 1720 CWIP Report. The reconciled acquisition cost should be recorded in the appropriate capitalized real property general standard ledger account and the RPI database.

Differences between the RPI database and the 1720 CWIP Report may result from the following circumstances:

1. Allocating FFS project costs among several assets
2. Allocating FFS project costs to assets not being capitalized
3. Different accepted or placed in service dates
4. Ongoing expenses for uncompleted project work on other assets
5. Residual expenses incurred after an asset was capitalized

### 6.4.4 Adjusting Recorded Acquisition Cost for Residual Costs

Occasionally, after a project is accepted or placed in service, costs will continue to accumulate. In order to avoid continual acquisition updates to the RPI database and the Regional CPL, recording additional/residual acquisition costs may be delayed. The delayed costs must not exceed 10% of the acquisition cost that has already been recorded in the RPI database, with a \$20,000 limit. When the residual cost threshold is reached, the RPI database should be updated and that new status should be indicated on the Regional CPL. All residual costs, regardless of amount, will be analyzed, updated and recorded by the BFOs during the month of September in accordance with the Service's "end of fiscal year" calendar.

## 6.5 Timing of Data Entry in the Real Property Inventory Database

Ensuring real property is accounted for in the correct period of time is critical to avoid significant adjustments to the acquisition cost between fiscal years. For example, entering property placed in service in FY 2007 during FY 2008 creates a need to adjust the financial property records. As a result, real property amounts shown in the FY 2007 financial statements could be misstated. If the total of the adjustments are deemed material, the Service could be issued a Notice of Finding and Recommendation (NFR) from the independent auditors and the management controls over property accountability may be cited as a control weakness.

The Regional Office should update the RPI database within 10 business days from the date real property is accepted or placed in service and reported as completed on the monthly Regional CPL. When the property is accepted or placed in service the BFO should (1) delete the capitalization exclusion entry in the RPI database Financial Page, and (2) coordinate with the FMC to delete the “CWIP” annotation in the property description. More information on recording procedures to the RPI database Financial Page is provided in [Chapter 8, Recording Financial Information in the Real Property Inventory Database](#).

# 7.0 Documenting Real Property Acquisition Costs and Dates

## 7.1 Chapter Overview

Documentation supporting the acquisition of real property assets is a shared responsibility of Regional Program Office Assistant Regional Directors (ARDs), the Regional Engineer (REN), and the Budget and Finance Officer. The key data elements for supporting real property acquisition cost documentation are (1) the acquisition date and (2) the acquisition cost. Documentation for capitalized assets recorded in the Real Property Inventory (RPI) database must be maintained in digital format on a server in the Regional Office in accordance with the Director's Memorandum on September 17, 2004, entitled "Plant, Property and Equipment (PP&E) Document Retention" (see [Appendix 7](#)).

Acquisition cost components vary by acquisition type. Although some acquisition types are similar, there are differences involved in identifying documentation sources. As a result of these differences, a separate section describing sources and costing techniques is provided for each acquisition type.

This chapter addresses:

- ✓ Documenting real property acquisition date
- ✓ Determining real property acquisition cost
- ✓ Documenting real property acquisition cost

## 7.2 Documenting Real Property Acquisition Date

The acquisition date is the date land, building, and structure ownership transfers to the U.S. Fish and Wildlife Service (FWS or the Service), or the date the asset is accepted or placed in service; whichever is earlier. Ownership transfers apply principally to land acquisitions, land donations, and land transfers. The acquisition dates that are based on the date the asset is accepted or placed in service are primarily related to constructed assets. The accepted date for buildings is the date on which a certificate of occupancy is issued; for other structures it is the date the structure is placed in service. It should be recognized that the certificate of occupancy may be delayed, and, in those cases, the placed in service date is preferable for determining the acquisition date. If the placed in service date is not available, the final payment date may be used as an acquisition date. For FWS real property assets other than buildings, the placed-in-service date is the date that should be used for determining the asset's acquisition date.

## 7.3 Documenting Real Property Acquisition Cost

Unique acquisition cost documentation is required depending on the following three thresholds: above \$100,000, between \$75,000 and \$100,000, and below \$75,000.

### Real property assets above \$100,000

- Assets above \$100,000 require full documentation for FWS acquisition cost as detailed in [Chapter 7, Section 7.3, Documenting Acquisition Cost](#).
- Acquisition documentation for assets above \$75,000 must be maintained digitally in a Regional Server in accordance with the Director's memorandum "Plant Property and Equipment (PP&E) Document Retention of September 17, 2004 (see [Appendix 7](#)).

### Real property assets between \$75,000 and \$100,000

- Assets between \$75,000 and \$100,000 require documentation that demonstrates that the assets are below the capitalization threshold. Federal Financial System (FFS) reports, such as the Selected Projects Status Report FW 61001, FFS PVHT tables, DataMart Brio

queries, appraisals, and agency transfer documents are acceptable as prima facie evidence for demonstrating whether the capitalization threshold has been met. A discounted replacement cost estimate is acceptable prima facie evidence for demonstrating that the capitalization threshold has not been met (if standard acquisition documentation in [Chapter 7, Section 7.3, Documenting Real Property Acquisition Cost](#) is unavailable) for assets acquired through land purchases, transfers, donations, and jointly funded arrangements.

**Real property assets below \$75,000**

- Documentation for assets below \$75,000 CPL tracking threshold does not need to be gathered nor maintained. However, financial statement auditors may require rudimentary documentation of selected assets below \$75,000 in order to test the \$75,000 CPL tracking threshold.
- For assets selected for audit testing purposes, the following documentation will satisfy audit requirements: Service Asset Maintenance Management System (SAMMS) reports, Selected Projects Status Report FW 61001, DataMart Brio queries, appraisals, and agency transfer documents. In addition, a discounted replacement cost estimate is acceptable prima facie evidence for demonstrating that the \$75,000 CPL tracking threshold has not been exceeded for assets acquired through land purchases, transfers, donations, and jointly funded arrangements.

**7.4 Determining Acquisition Cost**

The following actions should be completed prior to determining acquisition costs for real property assets:

- Determine acquisition type classifications
- Determine if the asset should be classified as a repair or improvement
- Determine if the asset should be lumped with another asset or split
- Determine if the asset is excluded from capitalization

In some cases, determining an acquisition cost is somewhat challenging, as acquisition documentation is not readily available. In these cases the Budget and Finance Office (BFO) may request an FWS Acquisition and Replacement Cost Estimate (see [Appendix 9](#)) from the REN. The BFO or REN then discounts the replacement cost estimate back to the original construction year for an acquisition cost estimate (if a construction year can be ascertained) using the Engineering News Record (ENR) Indices in [Appendix 8](#). In cases where the construction year cannot be readily determined, a documented personal written attestation from a creditable source is acceptable to estimate the acquisition date. The format and instructions for completing the FWS Acquisition and Replacement Cost Estimate can be found in [Appendix 9](#).

The remaining sections of this chapter provide guidance for determining acquisition cost based on the specific acquisition type. Exhibit 16 lists the 14 acquisition types.

*Exhibit 16. Acquisition Types*

Acquisition Types
• Capitalized Leasehold Improvements
• Constructed
• Donated
• Donated with Land
• Exchanged
• Jointly Funded
• Leases

Acquisition Types
• Purchased
• Purchased with Land
• Service Managed not Service Owned
• Transferred from Federal Entity
• Transferred from Federal Entity with Land
• Withdrawals

### 7.4.1 Capitalized Leasehold Improvements

Capitalized leasehold improvements are modifications to existing leased real property (such as a U.S. General Services Administration (GSA) leased asset) that will: (1) extend the useful life of the asset by 2 years or more; (2) materially improve the property's capacity; or (3) otherwise upgrade the property to serve needs that are different from those originally intended. Leasehold improvements are capitalized only if they meet the Service's capitalization threshold. Leasehold improvements under a GSA Occupancy Agreement should not be capitalized by FWS because their cost is included in the rental rate. Leasehold improvements are capitalized if they are authorized by GSA under a Reimbursable Work Authorization (RWA) and meet the Service's capitalization threshold. Capitalized leasehold improvements do not include FWS buildings constructed on leased land. The latter should be recorded in the RPI database using the "Constructed" acquisition type. Capitalized leasehold improvements are not recorded in the RPI database via the Financial Page, but rather are reported directly to the Division of Financial Management (DFM) by the BFO using the Capitalized Improvements to Leased Property Memo Templates (see [Appendix 10](#)).

**Sources** – Documentation for capitalized leasehold improvement costs are generally available as purchase orders or contracts and vendor invoices. These should be accompanied by Office Transaction Reports showing disbursements and obligation status.

### 7.4.2 Constructed

Constructed assets are either built by the Service using Service funds, or built for the Service and paid for by another Federal agency using non-Service funds. Examples of Service-constructed, Service-funded assets are visitor centers, maintenance buildings, and roads built on behalf of FWS by the U.S. Army Corps of Engineers, the U.S. Department of Transportation Federal Land Highway Administration, and the Bureau of Reclamation. Assets built for FWS by other Federal agencies are not identified as transfers because the constructing agency never records these assets into its respective financial statements.

The constructed asset type is often the most complex asset type for which to determine acquisition cost. The following types of costs should be included in a constructed type asset's acquisition cost:

**Direct Materials** – This category includes materials that are purchased specifically to construct or otherwise prepare an asset for use. Materials purchased in small quantities and used on an as needed basis are not included in the asset's acquisition cost (e.g., gravel and lumber purchased in relatively small quantities serving as a ready-supply source for multiple assets and/or projects).

Large bulk purchases may require special accounting treatment as stockpiles. The purchase of materials exceeding \$100,000 without a specific project identified should be reviewed by the Regional BFO, with DFM consultation, to determine whether the materials should be classified as inventory and excluded from the asset's acquisition costs.

**Direct Labor**<sup>14</sup> – Direct labor includes the payroll cost of FWS maintenance staff, field supervisors, and others who charge time directly to projects. The payroll should include wages, as well as fringe benefits. SAMMS reports may be used to identify labor costs in FFS.

**Contractor Costs** – Contractor costs include amounts paid to contractors, subcontractors, and other vendors (e.g., fees).

**Engineering Costs** – Engineering costs include the cost of engineering design and support services performed by REN staff or the Division of Engineering (DEN). They also include engineering, architectural, and other outside services for designs, plans, specifications, and surveys.

In accordance with the Director's Memorandum on September 14, 2000, entitled "Mandatory Use of MMS Project Codes on Obligation Documents" (see [Appendix 5](#)), all engineering costs should be charged directly to the cost of an asset. The FWS engineering indirect support percentage (17.5%) for maintenance projects used for estimating project budgets, as outlined in the Director's Memorandum on February 20, 2001, entitled "FY 2001 Engineering Support of Maintenance Projects" (see [Appendix 11](#)), may not be used to determine an asset's acquisition costs without written authority from DFM on a case-by-case basis.

**Equipment Costs** – The cost of equipment purchased solely for use on a construction project should be included in construction costs. The cost of using Service-owned equipment is generally considered immaterial to the cost of a real property asset. However, if equipment above \$200,000 is purchased and used exclusively for six months or more on a project, an appropriate share of the equipment's acquisition cost may be applied to the acquisition cost (e.g., a bulldozer purchased primarily for a construction project).

**Other Costs**<sup>15</sup> – Miscellaneous acquisition costs may include items such as:

- Short term equipment rentals
- Travel costs directly related to a project
- Fixed equipment (e.g., generators, pumps, elevators) and related costs of installation required for activities in a building or facility
- Direct costs of inspection, supervision, and administration of construction contracts and construction work

Federal Accounting Standards Advisory Board (FASAB) standards dictate that indirect production costs relating to constructed assets should not be included in their cost. For assets constructed by the Service, indirect production costs are considered to be immaterial to the cost of the assets. Examples of indirect costs are Regional and Washington Office administrative support costs.

**Sources** – Contract documentation is available from Contracting and General Services (CGS). FFS provides several reports which accumulate real property asset projects. Documentation may include:

- Contracts, purchase orders, and vendor invoices<sup>16</sup>
- Selected Projects Status Report FW 61001
- FFS PVHT tables matched to vendor invoices
- Project Obligations Transaction Report FW 31801

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<sup>14</sup> Service Asset Maintenance Management System (SAMMS) reports are a resource to identify labor costs in FFS.

<sup>15</sup> SAMMS reports may be used as a resource to identify complete costs in FFS.

<sup>16</sup> Only contract synopses, CBD or other abstracts or schedules of items are needed, not the full contract. Individual modifications are not required; including the final modification should summarize all modifications. If cumulative vendor invoice at the time of capitalization are available, only that invoice is required. If invoices are not cumulative, then individual invoices are required.

- Rehabilitation and Construction Project Detail Report FWS 33501<sup>17</sup>
- Rehabilitation and Construction Project Summary Report FWS 33502<sup>17</sup>
- Detail Construction Work in Progress(G/L 1720) Report FWS 33504<sup>17</sup>
- Project Obligation Transaction Report FWS 31801
- FFS DataMart Brio Queries (including a screen shot of the query criteria)

The SAMMS provides a budget allocation and tracking system to monitor program costs for maintenance and improvement projects on real property assets. SAMMS is a programmatic tool requiring manual entry of labor cost and purchase document data. As a result, SAMMS cannot be used for determining capitalized acquisition cost in the RPI database, since it cannot be reconciled directly to FFS.

If field station staff are diligent about providing complete project costs for SAMMS input, the SAMMS reports are a valuable tool for BFOs to identify costs that may not have been reported during the Construction and Deferred Maintenance Projects List (CDMPL) process (e.g., ancillary charges to core station accounts, such as, subactivities 1261 and 1311). The BFO may use the costs identified in SAMMS to locate the corresponding charges in FFS to ensure complete FFS reporting.

There are several distinct situations that involve determining acquisition cost for constructed assets funded through reimbursable agreements, which are described in Sections 7.4.2.1 - 7.4.2.3.

#### **7.4.2.1 Reimbursable Construction Projects**

Construction projects performed under reimbursable agreements require additional consideration. Reimbursable agreements involving real property assets commonly involve fish hatcheries that FWS operates, but does not own. If the Service enters into a reimbursable agreement with another agency to construct and operate another agency's facility, the project should not be listed on the Service's Regional CPL, because the facility is owned by another agency and it is assumed the other agency will include the project on its Construction Work-in-Progress (CWIP) general ledger account. If this assumption is confirmed by the BFO, the asset should be classified in the RPI database as "Service Managed not Service Owned" and it should be excluded from capitalization although it should be retained in the RPI database for program purposes (e.g., obtaining deferred maintenance funding).

However, if the agreement specifies the property is to be transferred to the payee or grantee upon completion of the project, then the FFS project number should be listed on the Regional CPL and included in the 1720 CWIP Report because it is assumed the transferring agency will not include the project on its CWIP general ledger accounts. Upon project completion, the Regional Office will report to DFM (on the Regional CPL) that the project is complete and the property was transferred to another entity. For example, if the Bureau of Reclamation (BOR) provides funding to FWS to construct a mitigation water control structure on a refuge, but BOR will retain the ownership of the structure; the project would be included in the Regional CPL. At the completion of the project, the structure would be changed to Service-Managed not Service Owned since the asset will be transferred to BOR for balance sheet reporting.

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<sup>17</sup> These reports do not differentiate between disbursements and obligations and must be cross-referenced to FFS tables to ascertain whether project costs are fully disbursed, if used to determine acquisition costs.



#### 7.4.2.2 Projects Involving Multiple Funding Sources, Capitalized, and Non-Capitalized Assets

A common challenge in determining the acquisition cost of constructed assets is when the FFS project numbers do not match the RPI database asset numbers or the FFS project numbers are incomplete.

This situation may occur when:

- More than one asset is included within a single FFS project number
- There are non-capitalized assets included in a single FFS project number
- There are multiple funding sources involved

Individual asset costs are merged into the balance sheet as a single entry at the Service-wide level. However, as long as the total acquisition cost is recorded for a project consisting of a group of assets, the determination of an individual acquisition cost does not need to be exact.

Below is one suggested approach for determining the total acquisition cost given multiple funding sources:

1. Add together all funding sources.
2. Identify contracts and contract components.
3. Identify components with separate costs and subtract them from the construction cost total.
4. Prorate the construction cost to real property assets based on square footage or a quantifiably similar feature.
5. Prorate the indirect costs based on percentage of construction cost.
6. Record assets in the RPI database by asset type; capitalized by BFO and non-capitalized by FMC respectively.
7. Record amounts capitalized by subactivity and FFS project in the Regional CPL.

The example below illustrates the suggested approach for determining total acquisition cost and involves 11 assets, 3 funding sources, and two contracts.

**STEP 1: Add together all funding sources**

Project Number	Amount	Comment
1321-R601	\$600,000	MMS Funds
1321-R602	\$300,000	MMS Funds
1931-0013	\$200,000	State Reimbursable
	Total	\$1,100,000

**STEP 2: Identify contracts and contract components**

Two contracts are awarded:

- Contract A: Heat Exchanger Full Cost – \$200,000 (no indirect cost)
- Contract B:  
 Hatchery lines, raceway roof, ponds and kettles – \$800,000  
 Contract Supervision – \$ 100,000 (indirect cost)  
 Contract B Total: \$900,000

Asset	Cost
Replace 3 ponds and install liners	\$300,000
Install 3 kettles	\$90,000
Purchase and install heat exchanger	\$200,000
Install raceway roof	\$90,000
Install monitoring/alarm equipment	\$20,000
Remove and install 3,000 feet of pipeline (5 separate RPI database assets)	\$300,000
Contract Supervision	\$100,000
	Total
	\$1,100,000

**STEP 3: Identify components with separate costs and subtract them from the construction cost total**

Asset	Cost
Total Project	\$1,100,000
Less Heat Exchanger	\$(200,000)
Remaining Project	\$900,000

**STEP 4: Prorate the construction cost to real property assets based on square footage or quantifiable similar feature**

Line excavation, removal and replacement @ \$100 per foot

Asset	Cost
Replace drain line - 1,000 feet	\$100,000
Replace supply line #1 - 500 feet	\$50,000
Replace supply line #2 - 400 feet	\$40,000
Replace supply line #3 - 300 feet	\$30,000
Replace supply line #4 - 800 feet	\$80,000
<b>Total</b>	<b>\$300,000</b>

**STEP 5: Prorate the indirect costs based on percentage of construction cost**

Asset	Direct Construction Cost	Prorated Percentage	Indirect Cost	Asset Acquisition Cost
Pond 1/Kettle 1	\$130,000	16%	\$16,250	\$146,250
Pond 2/Kettle 2	\$130,000	16%	\$16,250	\$146,250
Pond 3/Kettle 3	\$130,000	16%	\$16,250	\$146,250
Heat Exchanger	–	–	–	\$200,000
Raceway Roof	\$90,000	11%	\$11,250	\$101,250
Alarm System	\$20,000	3%	\$2,500	\$22,500
Drain Line	\$100,000	13%	\$12,500	\$112,500
Supply Line 1	\$50,000	6%	\$6,250	\$56,250
Supply Line 2	\$40,000	5%	\$5,000	\$45,000
Supply Line 3	\$30,000	4%	\$3,750	\$33,750
Supply Line 4	\$80,000	10%	\$10,000	\$90,000
<b>Total</b>	<b>\$800,000</b>	<b>100%</b>	<b>\$100,000</b>	<b>\$1,100,000</b>

**STEP 6: Record assets in the RPI database by asset type; capitalized by BFO and non-capitalized by FMC respectively**

Asset	Cost
Pond 1/Kettle 1	\$146,250
Pond 2/Kettle 2	\$146,250
Pond 3/ Kettle 3	\$146,250
Raceway roof	\$101,250
Drain Line	\$112,500
Heat Exchanger	\$200,000
<b>Total</b>	<b>\$852,500</b>

## STEP 7: Record amounts capitalized by subactivity and FFS project in the Regional CPL

Asset	Construction Cost	Prorated Percentage	1321R601 Prorated Percentage	1321R602 Prorated Percentage	19310-0013	Total	Regional CPL
Pond 1/Kettle 1	\$130,000	16%	\$97,500	\$48,750	-	\$146,250	\$146,250
Pond 2/Kettle 2	\$130,000	16%	\$97,500	\$48,750	-	\$146,250	\$146,250
Pond 3/ Kettle 3	\$130,000	16%	\$97,500	\$48,750	-	\$146,250	\$146,250
Heat Exchanger	-	-	-	-	\$200,000	\$200,000	\$200,000
Raceway Roof	\$90,000	11%	\$67,500	\$33,750	-	\$101,250	\$101,250
Alarm System	\$20,000	3%	\$15,000	\$7,500	-	\$22,500	-
Drain Line	\$100,000	13%	\$75,000	\$37,500	-	\$112,500	\$112,500
Supply Line 1	\$50,000	6%	\$37,500	\$18,750	-	\$56,250	-
Supply Line 2	\$40,000	5%	\$30,000	\$15,000	-	\$45,000	-
Supply Line 3	\$30,000	4%	\$22,500	\$11,250	-	\$33,750	-
Supply Line 4	\$80,000	10%	\$60,000	\$30,000	-	\$90,000	-
Total	\$800,000	100%	\$600,000	\$300,000	\$200,000	\$1,100,000	\$852,500

### 7.4.2.3 Allocation of Costs for Large Projects

The allocation of acquisition costs for larger projects involving multiple assets and multiple funds is a more challenging accounting exercise than multiple funding sources. In allocating costs between assets, it is important to remember the purpose is to record the full acquisition cost, but exact cost accounting by individual asset is not required. As long as the total cost of all individual capitalized assets equals the total capitalized project cost, the individual asset acquisition cost does not need to be exact and the allocated acquisition costs will be adequate for balance sheet reporting.

Below is an example of a typical project involving several FFS projects, multiple assets (both capitalized and non-capitalized) and varying acceptance or placed-in-service dates. This example is especially representative of some Regional practices because lump/split decisions or capitalization/non-capitalization decisions are not completed during the Regional Construction and Deferred Maintenance Project List (CDMPL) stage.

In the following example, the BFO is presented with several sources of cost information and must transform the information into logical acquisition cost for each asset.

Example
<p><b>Project Description</b></p> <ul style="list-style-type: none"> <li>The asset involves a construction contract for \$1.6 million to build a Refuge Visitor Center/Office and parking lot. The contract includes an unrelated maintenance building about 0.5 miles from the visitor center. As part of the contract, the contractor provides the cost of each contracted component.</li> </ul> <p><b>Lumping/Splitting Decision</b></p> <ul style="list-style-type: none"> <li>The FMC determines that due to differing asset types, certain assets related to the sewage treatment plant, the distribution lines, and kiosk must be listed separately in the RPI database.</li> </ul>

## Example (continued)

### **Facts**

#### FFS Project Numbers

- Construction costs were paid through one FFS project number (2821E9CA)
- Engineering services were paid through one FFS project number (2810E9CA)
- Service labor for inspection and oversight was paid from one FFS project number (2821E9CB)

#### Contractor Cost by Asset

- |                           |             |
|---------------------------|-------------|
| • Visitor Center/Office   | \$1,130,000 |
| • Parking Lot             | \$210,000   |
| • Maintenance Building    |             |
| – to date                 | \$247,000   |
| – estimated at completion | \$260,000   |

#### FFS CWIP General Ledger Account Balances

- |            |                      |             |
|------------|----------------------|-------------|
| • 2821E9CA | Construction         | \$1,587,000 |
| • 2810E9CA | Engineering/Design   | \$320,000   |
| • 2821EPCB | Inspection/Oversight | \$80,000    |
|            | Total                | \$1,987,000 |

#### Acquisition Dates

- June 9 – Visitor Center/Office, parking lot, and attached components were accepted and placed in service
- June 14 – Maintenance building was accepted or placed in service. However, it is only 95% complete

Below is the suggested approach for performing an acquisition cost analysis:

1. Perform an engineering construction cost estimate
2. Enter acquisition costs into the RPI database
3. Update the Regional CPL

### **STEP 1: Perform an engineering construction cost estimate**

BFO requests the REN to perform an engineering construction cost estimate of the components attached to the visitor center.

The REN determines the construction cost as shown in the following table. The BFO prorates the engineering and inspection cost that total \$400,000.

Property Item	Construction Costs <sup>18</sup>	Pct. %	Engineering Costs <sup>19</sup>	Inspection Cost <sup>20</sup>	Acquisition Cost
Visitor Center/Office	\$1,024,500	64.6%	\$206,720	\$51,680	\$1,282,900
Sewage Treatment Station	\$77,500	4.9%	\$15,680	\$3,920	\$97,100
Kiosk	\$28,000	1.8%	\$5,760	\$1,440	\$35,200
Parking lot	\$210,000	13.2%	\$42,240	\$10,560	\$262,800
Maintenance building	\$247,000	15.5%	\$49,600	\$12,400	\$309,400
Total	\$1,587,000	100%	\$320,000	\$80,000	\$1,987,400

### STEP 2: Enter acquisition costs into the RPI database

The BFO enters the acquisition cost for each capitalized asset into RPI database.

In the example illustrated above, the storage treatment station, because the estimated cost was above \$75,000, should be entered into the RPI database and then excluded from capitalization as "Below Capitalization Threshold." More information on the RPI database financial recording procedures is provided in [Chapter 8, Recording Financial Information in the Real Property Inventory Database](#).

<sup>18</sup> Represents construction cost from FFS project 2821E9CA. Cost breakout performed by contractor and REN engineering review of components.

<sup>19</sup> Engineering costs from FFS project 2810E9CA. Breakout determined by the BFO based on cost allocation dividing construction cost for each property item by the total. For example, visitor center construction cost of \$1,024,000 divided by total construction cost of \$1,587,000 equals 64.6%. This percentage is used to prorate the engineering and inspection costs to the visitor center acquisition cost.

<sup>20</sup> Inspection cost from FFS project 2821E9CB.

### STEP 3: Update the Regional CPL

The BFO then sends the updated Regional CPL to the DFM showing the status of the project.

Capitalized FFS Project	Status	Estimated In Service Date	Asset Number(s)	Type of Construction	Capitalize	Expense	Total
2821E9CA <sup>21</sup>	In service, not complete	June	xxxxxxx	New— Acquisition cost added in RPI	\$1,481,500	\$105,500	\$1,587,000
2810E9CA <sup>22</sup>	In service, not complete	June	xxxxxxx	New— Acquisition cost added in RPI	\$298,560	\$21,440	\$320,000
2821E9CB <sup>23</sup>	In service, not complete	June	xxxxxxx	New—Below internal control threshold		\$80,000	\$80,000
Totals					\$1,780,060	\$206,940	\$1,987,000

#### 7.4.3 Donated without Land

Donated assets are stand-alone assets (acquired without a land donation) received from non-Federal agencies (i.e., tribal and State governments, non-profit organizations, or private entities). Donations cannot be made from another Federal agency. If an asset is donated, the acquisition cost is the actual cost of the asset or Fair Market Value (FMV) at the time the Service acquires the asset. To be classified as a donation, the asset must be without cost to the Service. If the Service participates in the construction or contributes resources for any part of a donated asset, the appropriate acquisition type is "Jointly Funded". Assets constructed on behalf of FWS, and then donated to the Service should be classified as the "Constructed" acquisition type.

**Sources** – FMV of real property assets are not always readily available. This is especially true when real property assets are provided by a donor. The following are sources for determining an asset's FMV (in order of preference):

1. Acquisition records from the donor, discounted to the year of donation
2. An independent third party appraisal
3. The Internal Revenue Service (IRS) Tax Donation form #8283 Non-Cash Charitable Contribution
4. Extrapolation from an existing similar asset
5. FWS Acquisition and Replacement Cost Estimate (see [Appendix 9](#)), discounted back to original fabrication year

<sup>21</sup> Project 2821E9CA—Capitalize \$1,481,500 (\$1,024,500 to Visitor Center; \$210,000 to Parking lot, \$247,000 to Maintenance building). Expense \$105,500 for properties below capitalization threshold.

<sup>22</sup> Project 2810E9CA—Capitalize \$298,560 (\$206,720 to Visitor Center; \$42,240 to parking lot, \$49,600 to Maintenance building). Expense \$21,440 for properties below capitalization threshold.

<sup>23</sup> Project 2821E9CB—Do not capitalize. Estimated at \$74,640; below the \$75,000 CWIP and internal control tracking threshold. (\$51,680 to Visitor Center; \$10,560 to parking lot, \$12,400 to Maintenance Building).

#### 7.4.4 Donated with Land

Donated with Land assets are in place when stewardship land is acquired through a donation (i.e., water control structures, buildings). To be capitalized, the asset must meet FWS capitalization thresholds and not be considered a stewardship or heritage asset.

**BFO Pre-screening** – In most cases, a donation of land will involve a real estate appraisal, either by FWS or the donor (for tax purposes). An appraisal is a primary source for determining the individual acquisition cost of each real property asset on the donated land. Because this transaction involves a land acquisition, an evaluation should first be made to ensure the assets are not excluded from capitalization based on capitalization exclusion policies. Assets excluded from capitalization include the following:

- Stewardship and heritage assets
- Roads and bridges
- Assets valued at less than 15% of the total value of the land value donation
- Assets not separately identified in the land appraisal
- Assets identified by the project leader that will be unused or infrequently used to support Service operations
- Assets identified by the project leader that will be retired or scheduled for disposal or demolition

**Sources** – Other sources for determining FMV (in order of preference) are as follows:

1. Appraisals are available from the National Business Center (NBC), Appraisal Services Directorate<sup>24</sup> (if a FWS appraisal is performed)
2. Acquisition records from the donor, discounted to the year of donation
3. IRS Tax Donation form #8283 Non-Cash Charitable Contribution
4. Extrapolation from a similar asset
5. FWS Acquisition and Replacement Cost Estimate (see [Appendix 9](#)), discounted to original construction year

#### 7.4.5 Exchanged

Exchanged assets are received by the Service in a land trade for another section of land on which a real property asset resides. Exchanges also need to identify those assets that reside on FWS land that are exchanged by the Service to ensure they receive proper treatment.

**BFO Pre-screening** – When the Service enters into transactions involving land acquisitions, an evaluation should first be made to ensure the assets are not excluded from capitalization based on capitalization exclusion policies. Assets excluded from capitalization include the following:

- Stewardship assets
- Roads and bridges
- Assets valued at less than 15% of the total value of the land value donation
- Assets not separately identified in the land appraisal
- Assets identified by the project leader that will be unused or infrequently used to support Service operations
- Assets identified by the project leader that will be retired or scheduled for disposal or demolition

**Sources** – Exchanged assets, because they are land acquisitions, generally involve a real estate appraisal. An appraisal is the primary source for determining the individual acquisition cost of

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<sup>24</sup> <https://arrts.nbc.gov>



each real property asset on the exchanged land. Sources for determining an asset's acquisition cost are as follows:

- Appraisals are available from NBC, Appraisal Services Directorate<sup>25</sup>
- Original acquisition cost discounted to year of exchange
- Net Book Value (NBV) of the real property asset
- FWS Acquisition and Replacement Cost Estimate (see [Appendix 9](#)), discounted back to original construction year

If there is cash consideration paid or received as part of the exchange, the recorded cost of the asset should be increased (if cash paid) or decreased (if cash received), as appropriate.

#### 7.4.6 Jointly Funded

Jointly Funded assets are built for the Service using a combination of Federal funding (Service or other) and non-Federal funding sources from conservation and community partners that pay for the construction and/or purchase costs. Typical partners may include State and local government agencies, Native American tribes, Ducks Unlimited, and the Audubon Society. The acquisition cost of these assets must be an approximation of FMV. The Service's portion of the total acquisition cost should be calculated and recorded in the same manner as the "Constructed" or "Purchased" acquisition types, as previously described in [Chapter 7, Section 7.4.2 Constructed](#), as appropriate.

##### Sources –

- Partners shall be asked to provide assistance in determining non-Service contributions.
- Federal contributors shall provide financial reports documenting their contribution in as much detail as possible.
- State contributors shall provide financial reports documenting their contribution in as much detail as possible.
- Non-profit organizations shall be requested to provide financial reports or copies of invoice and receipts. If non-profit organizations provide labor contributions, estimates of their labor may be made using Independent Sector<sup>26</sup>, a sanctioned government source for volunteer time values.
- If non-profit organizations cannot provide adequate time and material estimates, their contribution may be estimated by extrapolating from FWS construction costs; for example, if FWS constructed 80% of the asset, a 20% extrapolation rate could be used to determine the remaining contribution by the non-profit organization.
- FWS Acquisition and Replacement Cost Estimate (see [Appendix 9](#)), discounted back to original construction year.

#### 7.4.7 Leases

Leases are assets that are owned by non-Service entities and are directly leased by Service personnel without GSA's involvement. Leased assets are recorded in the RPI database by program personnel as a real property management function. If leases reach capitalization thresholds, the lease is reported as a capitalized asset to DFM by the BFO using the Capitalized Leases Memo Templates (see [Appendix 10](#)); they are not recorded on the RPI database Financial Page.

To determine if a lease meets capitalization thresholds, refer to the capital lease criteria presented in [Appendix 2](#). A capital lease is a lease that transfers substantially all benefits and risks of ownership to the Service. These leases are capitalized as Service assets. The

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<sup>25</sup> <https://arrts.nbc.gov>

<sup>26</sup> [http://www.independentsector.org/programs/research/volunteer\\_time.html](http://www.independentsector.org/programs/research/volunteer_time.html)

determination of whether a lease will be a capital lease should be accomplished well in advance of the acquisition because of the possible budget scoring that may be required.

Generally, a lease is considered to be a capital lease when one of the following four criteria is met:

- Ownership of the property is transferred to the Service at, or shortly after, the end of the lease term.
- The property may be purchased at a bargain price at the end of the lease term.
- The lease term is greater than 75% of the estimated economic useful life of the asset.
- The present value of the minimum lease payments over the life of the lease is greater than 90% of the fair market value of the asset at the beginning of the lease term.

If it is determined the capital lease threshold is met, DFM should be provided the lease agreement, lease invoices, and supporting FFS reports. The capital lease acquisition cost should be recorded in the financial statements by DFM. Capital leases are not entered into the RPI database via the Financial Page.

#### Sources

- Lease documents supplied by Contracting and General Services (CGS)
- Supporting office transaction reports
- Other FFS reports

#### 7.4.8 Purchased without Land

Purchases with land are assets on stewardship land acquired through a land purchase transaction (e.g., water control structures and buildings). To be capitalized, the asset must meet FWS capitalization threshold and not be considered a stewardship asset.

Assets purchased with land should be evaluated to confirm they are not excluded from capitalization based on capitalization exclusion policies that allow exclusion based on materiality asset value and for assets not separately identified in appraisals (see [Chapter 3, Section 3.8.6, Incidental to Land Acquisitions - Less Than or Equal to 15%](#) and [Section 3.8.8, Incidental to Land Acquisition - Not Separately Identified in the Appraisal](#)). Purchases with land always involve a FWS real estate appraisal. If these capitalization exclusions apply, the assets are not capitalized. The appraisal is the primary source for determining the acquisition cost of the real property asset acquired as part of the land purchase. Individual assets, however, may not be separately identified (see [Chapter 3, Section 3.8.8, Incidental to Land Acquisition – Not separately identified in the appraisal Separate Appraisal](#)).

**Sources** – Contract documentation is available from Contracting and General Services (CGS). FFS provides several reports that accumulate real property asset projects. Documentation may include:

- Contracts<sup>27</sup>, purchase orders and vendor invoices
- Selected Projects Status Report FW61001
- Office Obligations Transaction Report FW 32001
- FFS PVHT Tables (matched with vendor invoices)
- FFS DataMart Brio Queries (including a screen shot of the query criteria)

The SAMMS provides a budget allocation and tracking system to monitor program costs for maintenance and improvement projects on real property assets. SAMMS is a programmatic tool

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<sup>27</sup> Only contract synopsis, abstracts or schedules of items is needed; not the full contract. Modifications are generally not required. Only the latest vendor invoice is required.

requiring manual entry of labor cost and purchase document data. As a result, SAMMS cannot be used for determining capitalized RPI database acquisition costs, as it cannot be reconciled directly to FFS.

If field station staff are diligent about providing complete project costs for SAMMS input, the SAMMS reports are a valuable tool for BFOs to identify costs that may not have been reported during the Construction and Deferred Maintenance Projects List (CDMPL) process (e.g., ancillary charges to core station accounts, such as, subactivities 1261 and 1311). The BFO may use the costs identified in SAMMS to locate the corresponding charges in FFS to ensure complete FFS reporting.

#### 7.4.9 Purchased with Land

Purchased with Land assets are assets located on stewardship land that were acquired through a land purchase transaction (i.e., water control structures and buildings). To be capitalized, the asset must meet the capitalization threshold and not be considered a stewardship asset. An evaluation should first be made to confirm that the land acquisition is not excluded from capitalization based on capitalization exclusion policies. This acquisition type will always involve a FWS real estate appraisal. The appraisal is the primary source for determining acquisition cost of the real property assets for land purchases.

**BFO Pre-screening** – This transaction involves a land acquisition, and therefore, an evaluation should first be made to ensure it is not excluded from capitalization based on capitalization exclusion policies. Assets excluded from capitalization include the following:

- Stewardship and heritage assets
- Roads and bridges
- Assets valued at less than 15% of the total value of the land value donation
- Assets not separately identified in the land appraisal
- Assets identified by the project leader that will be unused or infrequently used to support Service operations
- Assets identified by the project leader that will be retired or scheduled for disposal or demolition

**Sources** – The appraisal is the primary source for determining the acquisition costs of the real property assets on the land purchased. FWS appraisals are available from NBC, Appraisal Services Directorate<sup>28</sup> as a mandatory source.

##### 7.4.9.1 Service Managed not Service Owned

Service managed not Service owned assets are owned by another entity but are used in Service operations without rental obligations. These assets are not considered “owned” for real property asset acquisition purposes. Rather, this acquisition type is used solely as an RPI database entry vehicle for maintenance management budgeting purposes. The "Service Managed not Service Owned" acquisition type is not an element of real property asset balance sheet reporting other than for exempting the asset from capitalization.

To use this entry method for buildings, the field station must have authorized a formal agreement between the two entities acknowledging responsibility for maintenance and repairs. For structures, the FWS must initiate SAMMS work order for maintenance and repairs. For example, FWS operates several major refuges in North Dakota which were developed to mitigate effects of Bureau of Reclamation projects. The water control structures, buildings, and other real property assets, are included in the Bureau of Reclamation balance sheet, but under a Memorandum of Understanding (MOU), FWS is responsible for routine operations and maintenance and the Bureau of Reclamation is responsible for major cyclical maintenance.

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<sup>28</sup> <https://arrts.nbc.gov>

If a formal agreement is not in place, such as a Memorandum of Understanding (MOU) or Memorandum of Agreement (MOA), the building asset should not be entered into the RPI database. Likewise, if SAMMS work orders are not initiated for structures asset should not be entered into the RPI database.

**Sources** – Not applicable.

#### 7.4.10 Transferred from Federal Entity with Land

Transferred from Federal Entity with Land assets are previously recorded in another Federal agency's real property records and financial statements and have been formally transferred to the Service as part of a land transfer. For the U.S. Department of the Interior (DOI or the Department) agencies, the BFO should obtain the original acquisition cost, the accumulated depreciation, and the NBV at the time of transfer from the transferring agency. This DOI information is required for financial statement reconciliation purposes. For non-DOI agencies, the recorded cost of the transferred asset is the NBV at the time of transfer from the transferring agency. If the transfer involves reimbursement, the acquisition cost is the amount of reimbursement plus incidental costs to the transferor.

**Pre-screening** - This transaction involves a land acquisition and therefore, an evaluation should first be made to ensure assets involved are not excluded from capitalization based on capitalization exclusion policies. Assets excluded from capitalization include the following:

- Stewardship and heritage assets
- Roads and bridges
- Assets valued at less than 15% of the total value of the land value transfer
- Assets identified by the station manager that will be unused or infrequently used to support Service operations
- Assets identified by the station manager that will be retired or scheduled for disposal or demolition

**Sources for DOI Agencies** - The BFO should obtain the following information from the transferring agency at the time of transfer:

- Original acquisition cost
- Accumulated depreciation
- NBV at the time of transfer

This DOI information is essential for financial statement reconciliation purposes. The information should be provided directly to DFM at the time the asset number is assigned (i.e., before the acquisition cost is determined).

**Sources for Non-DOI Agencies**<sup>29</sup> - The recorded cost of the transferred asset is the NBV as maintained by the transferring agency, at the time of transfer.

- If the NBV cannot be reasonably obtained from the transferring agency, the Regional BFO should attempt to obtain the original cost and construction year to compute the NBV using the DOI Useful Life Table (see [Appendix 3](#)).
- If that information is not available, the BFO should estimate the FMV.

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<sup>29</sup> If the transfer involves reimbursement, the acquisition cost is the amount of reimbursement plus incidental costs to the transferor. If another DOI agency is involved in a reimbursement transaction, DFM should be alerted to notify the Office of Financial Management (PFM) to ensure the Department financial records, as a whole, are not impacted.

- If the asset is apparently fully depreciated, the BFO may make that determination using a combination of the DOI Useful Life Table (see [Appendix 3](#)) and an engineer's personal attestation regarding the age of the asset.
- Lastly, the FWS Acquisition and Replacement Cost Estimate Worksheet (see [Appendix 9](#)) may be used by discounting the replacement cost to the estimated construction year.

#### 7.4.11 Transferred from Federal Entity without Land

Transferred from Federal Entity without Land (i.e., stand-alone real property assets) are assets previously recorded in another Federal agency's real property records and financial statements that have been formally transferred to the Service without a land transfer. For the DOI agencies, the BFO should obtain the original acquisition cost, the accumulated depreciation, and the NBV at the time of transfer from the transferring agency. This DOI information is required for financial statement reconciliation purposes. For non-DOI agencies, the recorded cost of the transferred asset is the NBV at the time of transfer from the transferring agency. If the transfer involves reimbursement, the acquisition cost is the amount of reimbursement plus incidental costs to the transferor.

**Sources for DOI Agencies** - The BFO should obtain the following information from the transferring agency at the time of transfer:

- Original acquisition cost
- Accumulated depreciation
- NBV at the time of transfer

This DOI information is essential for financial statement reconciliation purposes. The information should be provided directly to DFM at the time the asset number is assigned (i.e., before the acquisition cost is determined).

**Sources for Non-DOI Agencies**<sup>30</sup> - The recorded cost of the transferred asset is the NBV as maintained by the transferring agency, at the time of transfer.

- If the NBV cannot be reasonably obtained from the transferring agency, the Regional BFO should attempt to obtain the original cost and construction year to compute the NBV using the DOI Useful Life Table (see [Appendix 3](#)).
- If that information is not available, the BFO should estimate the FMV.
- Lastly, the FWS Acquisition and Replacement Cost Estimate Worksheet (see [Appendix 9](#)) may be used by discounting the replacement cost to the estimated construction year.

#### 7.4.12 Withdrawals

Withdrawals are land that is withdrawn from the public domain when the land includes real property assets such as buildings. Since the Bureau of Land Management (BLM) controls all Government-owned public domain land, contact should be made with BLM to determine the NBV of the withdrawn assets. If the withdrawn land is re-transferred to FWS from another agency through BLM, the NBV should be obtained from the original owning agency.

**Source** – BLM or other Federal agency, as appropriate.

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<sup>30</sup> If the transfer involves reimbursement, the acquisition cost is the amount of reimbursement plus incidental costs to the transferor. If another DOI agency is involved in a reimbursement transaction, DFM should be alerted to notify the Office of Financial Management (PFM) to ensure the Department financial records, as a whole, are not impacted.

## 7.5 Newly Discovered Asset Reporting

Newly discovered assets are assets that were not previously recorded in the RPI database, but have been in service on FWS land prior to the current reporting period. These assets are generally identified during the annual condition assessment and/or during Comprehensive Condition Assessments (CCAs). Because newly discovered assets are often significantly depreciated, specific replacement cost threshold criteria are used to determine if acquisition costs are required to process these newly discovered assets into the RPI database.

### 7.5.1.1 Newly Discovered Assets with Unknown Acquisition Dates Not Requiring Reporting

Although acquisition year documentation should be present for real property asset reporting, it is impractical to develop acquisition dates for every asset. The degree of confidence required for acquisition year estimates decreases as the asset reaches and passes its useful life. An asset that is readily recognized as more than 50% beyond its estimated useful life (e.g., an asset with a 10 year depreciable life is readily recognized as at least 15 years old) requires no documentation for the acquisition year. For these assets, a written statement by a knowledgeable official as to the asset's approximate age will suffice.

For real property assets acquired during FY 1998 or later, it is assumed that adequate documentation of the asset's acquisition date is available in Service records. If documentation for an asset acquired prior to FY1998 does not exist, an estimate of the year the asset was acquired may be imputed from statements or other records. Newly discovered assets for which only acquisition year estimates exist are assumed to be placed in service on April 1 (the fiscal year midpoint) of that year.

The acquisition date estimate may take the form of:

- An attestation from a field station manager or other site staff who has direct knowledge of the acquisition year
- An engineer's professional estimate and certification of the age of the asset
- A third party engineering firm's professional estimate and certification of the age of the asset

### 7.5.1.2 Newly Discovered Acquisition Cost

For assets acquired after FY 1998 it is assumed that adequate documentation of the asset's acquisition cost is available in Service records. If documentation for an asset acquired prior to 1998 does not exist, the preferred method to develop an acquisition cost is to identify a similar asset and index the similar asset's acquisition period using the Engineering News Record (ENR) Indices (see [Appendix 8](#)). If a similar asset cannot be identified, threshold tests have been established to allow newly discovered assets considered immaterial to be exempt from financial reporting. The following conditions (A-D) are available to determine if an acquisition cost estimate is required:

#### Condition A

Is there a documented acquisition cost for a similar asset?

- For example, research related to a newly discovered asset leads to discovery of acquisition documentation for a similar asset of that period. The cost of the similar asset may be used to estimate the cost of the asset. Alternatively, a similar asset may be discounted to the acquisition year using the appropriate ENR Indices (see [Appendix 8](#)).
- If a similar asset can be identified, that asset's cost documentation may be used for determining an acquisition cost estimate for the newly discovered asset. If the acquisition type is unknown, the acquisition type of the similar asset may be used. The asset should be annotated as a newly discovered asset in Financial Notes as well as the identification of the similar asset.

#### Condition B

Is the asset older than the expected useful life for that type of asset?

- An asset's age and asset type classification will determine whether the asset has passed its estimated useful life and assumed to be fully depreciated. An asset that has been fully depreciated will have a Net Book Value (NBV) of \$0 regardless of its acquisition cost. However, since financial statement footnote disclosures contain a comparison of total current book value to total acquisition cost, the acquisition cost is potentially meaningful for a fully depreciated asset.
- Significant assets deemed to be fully depreciated based on the asset's age may still be material to the financial statement footnote disclosures of the Service. The Service has established a single asset replacement cost materiality threshold of \$1,000,000 for fully depreciated assets.
- Fully depreciated assets with replacement costs below this threshold are considered immaterial to the footnote disclosures of the financial statements and do not require a cost estimate. The replacement cost at the time of the replacement cost threshold analysis should be noted in the Financial Notes field, since replacement costs are indexed annually and may later exceed this replacement cost threshold. This annotation should resolve audit challenges and prevent restatement issues.
- For newly discovered assets exceeding \$1,000,000, an acquisition cost estimate should be prepared using the FWS Acquisition and Replacement Cost Estimate Worksheet (see [Appendix 9](#)) or a third party specialist, discounted back to the year of acquisition.
- If the replacement cost of a fully depreciated newly discovered asset is above \$1 million, the acquisition cost should be determined in accordance with the procedures outlined in [Chapter 7, Documenting Real Property Acquisition Costs and Dates](#). Personnel attestations may be used for determining the acquisition type.

#### Condition C

Does the asset have less than half of its useful life remaining?

- For assets with less than half of their useful life remaining, the Service has established a replacement cost materiality threshold of \$500,000. The replacement cost at the time of the replacement cost threshold analysis should be noted in the Financial Notes field, since replacement costs are indexed annually and may later exceed this replacement cost threshold. This annotation should resolve audit challenges and prevent restatement issues.
- Assets with less than half of their useful life remaining and a replacement cost below the established materiality threshold of \$500,000 are considered immaterial to the footnote disclosures of the financial statements, and do not require a cost estimate.
- For newly discovered assets exceeding \$500,000, an acquisition cost estimate should be prepared. This may be accomplished by utilizing a discounted FWS Acquisition and Replacement Cost Estimate Worksheet (see [Appendix 9](#)) or an estimate by a third party specialist.
- If the replacement cost of a newly discovered asset with less than half of its life cycle remaining and the replacement cost is above \$500,000, the acquisition cost should be determined in accordance with the procedures outlined in [Chapter 7, Documenting Real Property Acquisition Costs and Dates](#). Personnel attestations may be used for determining the acquisition type.

#### Condition D

Does the asset have more than half of its useful life remaining?

- Assets with more than half of their useful lives remaining and with current replacement costs above the Service's capitalization threshold require an acquisition cost analysis to determine if they require capitalization.
- For assets acquired prior to October 1, 2003, the replacement cost threshold is \$50,000 (the capitalization threshold in effect at that time) and \$100,000 for assets acquired after October 1, 2003.
- The acquisition cost estimate should be prepared using the FWS Acquisition and Replacement Cost Estimate Worksheet (see [Appendix 9](#)) or a third party specialist, and discounted to the year of acquisition.
- If the replacement cost of a newly discovered asset with more than half of its life cycle remaining and the replacement cost is above the capitalization level at the time of acquisition (\$100,000 after FY 2004 and \$50,000 prior to FY 2004) the acquisition cost should be determined in accordance with the procedures outlined in [Chapter 7, Documenting Real Property Acquisition Costs and Dates](#). Personnel attestations may be used for determining the acquisition type.



# 8.0 Recording Financial Information in the Real Property Inventory Database

## 8.1 Chapter Overview

The Real Property Inventory (RPI) database is operated by the National Wildlife Refuge System (NWRS) as part of the Refuge Management Information System (RMIS) and serves as the real property management system for the entire U.S. Fish and Wildlife Service (FWS or the Service). The RPI database also serves as a support system to the Federal Financial System (FFS) general ledger by recording and storing acquisition data for Service real property assets above \$75,000. Capitalized acquisition data is entered in the RPI database Financial Page. Acquisition data entries are limited to the Regional Budget and Finance Office personnel only through the RPI Financial Page, but are accessible by all Regional Office users.

Specific asset acquisition information entered into the RPI database includes the following:

- Acquisition type
- Acquisition date
- Acquisition cost
- Capitalization exclusion
- Notification of changes to existing records
- Notification of assets placed into an interim non-productive (retired in abeyance) status
- Notification of asset status change due to natural disasters

This chapter addresses:

- ✓ RPI database Financial Page data elements
- ✓ Sample RPI database Financial Page

## 8.2 Real Property Inventory Database Financial Page Data Elements

A graphic showing the data elements listed below, with corresponding section references, can be found in [Chapter 8, Section 8.3, Sample Real Property Inventory Database Financial Page](#).

### 8.2.1 Organization Code

Organization Code signifies the field station where the asset is located. This number is a five-digit FFS code which is assigned to the station organizational unit. All FWS organizations are assigned an Org Code. There are two levels of Org Code assignment: fund-targeted stations and satellite stations. The name of the station is adjacent to the Org Code field in the RPI database. This field is automatically populated in the Financial Page from the RPI database.

### 8.2.2 Replacement Cost

Replacement Cost is the cost required to completely rebuild an asset to its current state. This is a program feature that is developed during the Comprehensive Condition Assessments (CCAs). The replacement cost is not directly used in determining acquisition cost. However, for newly constructed assets, much of the documentation will be the same. Replacement costs are indexed and updated on an annual basis. Budget and Finance Offices (BFOs) use this field as a threshold for deciding whether an acquisition cost is necessary for newly discovered assets. Facilities Management Coordinators (FMCs) are responsible for entering appropriate data into this field. The information is automatically populated to the Financial Page from the RPI database.

### 8.2.3 Asset Code

Asset Code is the eight-digit code established by the guidance provided in the U.S. Department of the Interior (DOI or the Department) Asset Management Plan<sup>31</sup>. The plan groups similar assets for standard asset measurement and reporting. The asset code establishes the useful life of the asset for depreciation purposes. Changes to asset codes may affect financial statement depreciation schedules. This field is automatically populated in the Financial Page from the RPI database.

### 8.2.4 Useful Life

Useful Life dictates the depreciation schedule of the asset and is also established by the guidance provided in the DOI Asset Management Plan<sup>31</sup>. This field is automatically populated in the Financial Page from the RPI database and is dependent on the asset type classification.

### 8.2.5 Property Description

Property Description is a narrative field about the property that is entered by the field stations. This field may be changed, as necessary, by anyone with access to RPI. The space limitation for this field is 200 characters. The field is automatically populated in the Financial Page from the RPI database. This field is useful for comparing the asset type with the description to validate stewardship asset consistency. For example earthen road dams should not be classified as earthen water impoundments.

### 8.2.6 Asset Number

Asset Number is used to assign a unique numeric identifier to an asset. Asset numbers are assigned to a particular real property asset owned or leased directly by the Service (not through the U.S. General Services Administration). This number is used in the Service Asset Maintenance Management System (SAMMS) to track maintenance and work order requests. An asset number cannot be reused after the disposal of an asset. Asset numbers are assigned sequentially from a central database once a construction project or acquisition is budgeted and a Request for Engineering Services (RES) is initiated, or contract bids have been accepted for those projects not requiring Engineering Services. The asset number field is automatically populated in the Financial Page from the RPI database. Improvement projects are not assigned an asset number, but rather are assigned a subasset number (see [Chapter 8, Section 8.2.18 Subasset Portal](#)).

### 8.2.7 Acquisition Type

Acquisition type indicates the method by which real property is conveyed to Service ownership, management, and/or use. Determination of acquisition type is a responsibility of the BFO, however, other Regional Office staff can enter and modify the field. The acquisition type dictates the type of documentation required to support the acquisition record and the approach used to determine the asset's acquisition cost. Exhibit 17 lists the 14 FWS acquisition types.

*Exhibit 17. Acquisition Types*

Acquisition Types
• Capitalized Leasehold Improvements
• Constructed
• Donated
• Donated with Land
• Exchanged

<sup>31</sup> <http://www.doi.gov/pam/DOIAMPVer2061407Rev3.pdf>

Acquisition Types
• Jointly Funded
• Leases
• Purchased
• Purchased with Land
• Service Managed not Service Owned
• Transferred from Federal Entity
• Transferred from Federal Entity with Land
• Withdrawals

### 8.2.8 Acquisition Date

Acquisition Date is the date the asset ownership title transfers to FWS or the date the asset is accepted or placed in service (whichever is earlier). Ownership transfers apply principally to land acquisitions, donations, and land transfers. The acquisition dates that are based on the date the asset is placed in service are primarily related to constructed assets. The accepted date for newly constructed buildings and building additions is the date a certificate of occupancy is issued. It should be recognized that an occupancy certificate may be delayed, and in those cases, the placed-in-service date is preferable to establish the acquisition date. The final payment date is also acceptable if no other acquisition date can be determined. For assets other than buildings, such as water control structures, and for asset improvements, the placed-in-service date is the principal date for determining the acquisition date. The input format is month/day/year (mm/dd/yyyy). This field is completed by Regional Office Staff and verified by BFOs.

### 8.2.9 Construction Year

Construction Year displays the year the Service asset was constructed, regardless of the organization responsible for construction. When assets are constructed by or for the Service, the acquisition date should be consistent with the construction year and the date placed in service. Initially, the person establishing the asset record enters this field, but only Regional Office staff can modify this field. If no construction year information can be found, a “0” is entered. This field is automatically populated in the Financial Page from the RPI database.

### 8.2.10 Acquisition Cost

Acquisition Cost displays the cost for the Service to purchase, construct, or acquire the asset. The BFO will complete this field for all asset acquisitions above \$75,000. No entries will be made for assets below \$75,000 by the BFO. The BFO will enter dollar values or leave this field blank if a capitalization exclusion is applied (See [Chapter 8, Section 8.2.11, Capitalization Exclusions](#)) or if the asset is below \$75,000. For Externally Reported Asset Acquisitions (i.e., Natural Resource Damage Assessment and Restoration Program (NRDAR), Federal Land Highway Administration (FLHA), and Fire Management) the acquisition cost must be identified by subactivity. The BFO completes this field, which is accessible by all Regional Office staff.

### 8.2.11 Capitalization Exclusions

Capitalization exclusions are conditions whereby certain real property assets above \$75,000 are exempt from capitalization. This field may be modified or changed as necessary only by BFOs.

Exhibit 18 lists the Service's capitalization exclusions.

*Exhibit 18. Capitalization Exclusions*

Capitalization Exclusions
• Alaskan roads (2 year life cycle)
• Construction Work-in-Progress (CWIP)
• Assets below the capitalization threshold
• Federal transfers with Net Book Value (NBV) below capitalization threshold
• Heritage assets
• Incidental to land acquisitions – less than 15% of land value
• Incidental to land acquisitions – roads and bridges
• Incidental to land acquisitions – Not Separately Identified in the Appraisal
• Newly discovered assets below applicable replacement cost threshold
• Assets not used in FWS operations
• FWS assets retired not yet demolished or disposed
• Assets placed into interim non-productive status (retired in abeyance)
• Permanent improvements to stewardship land (beaches, canals, dirt roads, drainage ditches, levees/dikes, low hazard dams, nesting islands, unpaved trails, and water impoundments)
• Service Managed not Service Owned assets
• Signs
• Change in asset productive status due to natural disasters

### 8.2.12 Historic Criteria

Historic Criteria is used by Regional Historic Preservation Officer (RHPO) to identify heritage assets that are currently owned or controlled by the Service. The six classifications of Historic Criteria are presented below:

1. National Historic Landmark (NHL) - requires reporting on the Stewardship Asset Project List (SAPL)
2. National Register Listed (NRL) - requires reporting on the SAPL
3. National Register Eligible (NRE) - requires reporting on the SAPL
4. Non-contributing element of NHL/NRL
5. Evaluated, not historic
6. Not evaluated

### 8.2.13 Externally Reported Asset Acquisitions

If one of the following subactivities is used to acquire a real property asset, the Externally Reported Asset Acquisitions subactivity notification box must be checked and the acquisition cost reported (by subactivity) in the Financial Notes section.

- NRDAR - 9812, 9813, 9821, 9822, 9831
- FLHA - 8554, 8555
- Fire Management - 9131, 9262, 9263, 9264, 9132, 9141

#### 8.2.14 Federal Financial System Project Code

FFS Project Codes identify funds that are involved in constructing, acquiring, or modifying an asset. The Division of Engineering (DEN) assigns FFS project codes for all Construction Appropriation projects such as construction, storm damage construction, and hazardous materials projects. Regional Office program staff assign FFS project codes to all resource management projects, including deferred maintenance, FLHA, and Fire Management.

#### 8.2.15 Record Date

Record Date is the date the RPI database record is initially established. This field is used by BFOs for research purposes.

#### 8.2.16 Financial Notes

Financial Notes is a text field for BFOs to provide narrative comments regarding the computation or composition of acquisition costs and to provide explanatory notes regarding asset status notifications. Prior to FY 2008, BFOs used the Regional Office Notes field to provide narrative comments. The Financial Notes field now serves that purpose. This field is also accessible by all Regional Office users.

#### 8.2.17 Regional Office Notes

Regional Office Notes was formerly used by BFOs to record narrative comments regarding computation or composition of the acquisition cost. For continuity and for sharing programmatic information, this field continues to be displayed on the RPI database Financial Page. This field is accessible by Regional Office users. After FY 2008 this field should not be used by BFOs for posting asset acquisition information; acquisition information should be posted in the Financial Notes field of the RPI database.

#### 8.2.18 Subasset Portal

Subasset Portal is used to record capitalized improvements to existing assets which increase the acquisition cost value without having to establish new or separate assets numbers. A two digit suffix is appended to the existing asset number to identify subasset capitalized improvements. An example of this type of asset is a new wing to an existing building. Subasset numbers are initiated through the Subasset Portal by BFOs and are automatically generated within the database. The following are the requirements to establish a subasset through the Subasset Portal:

- Existing asset number
- Accepted or placed in service date of the improvement
- Capitalized improvement cost
- Improvement description
- FFS project number

#### 8.2.19 Notification of Changes to Existing Records

Notification of Changes to Existing Records provides a mechanism for the BFO to notify the Division of Financial Management (DFM) of changes to records that may affect acquisition costs, depreciation schedules, and other financial statement balance sheet amounts. The notification box should be checked by the BFO when there are significant changes (thresholds apply) to the data elements below:

- Acquisition Cost
- Acquisition Date
- Capitalization Exclusion Classification

- Asset Type
- Stewardship/Plant Property and Equipment (PP&E) Classification
- Size

The acquisition data element should be identified and an explanation provided in the Financial Notes field. Changes to existing RPI database entries that require notification, are provided in [Chapter 9, Real Property Inventory Database Financial Processing Maintenance](#).

### 8.2.20 Notification of Interim Non-Productive Status

When assets are placed into an interim non-productive status, they are considered "retirements in abeyance" for accounting purposes. Retirements in abeyance are a subset of retired assets. Retired in abeyance assets are no longer used for FWS productive purposes for at least one year, but could be brought back into production at a later date. Hatchery pipelines that are no longer used, but could be brought back into production at a later date, are an example of a retirement in abeyance. The BFO should check the "Yes" option if the asset is now in a retirement in abeyance status and provide a brief explanation in the Finance Notes field.

### 8.2.21 Notification of Asset Status Change due to Natural Disasters

There are several requirements for reporting changes in asset status as a result of natural disasters. Complete information regarding reporting of natural disasters is contained in [Appendix 12](#) and [Appendix 13](#).

The BFO should check the following reporting classifications as appropriate on the financial page after notification from the program involved:

- PP&E Assets in Need of Repair
- PP&E Assets Destroyed
- PP&E Assets Impaired
- PP&E Capital Leased Assets
- Stewardship Assets Destroyed
- Stewardship Assets Damaged but not Destroyed

### 8.2.22 BFO Signature Block

This signature block is for the Regional BFO to certify that the data entries made for acquisition cost, acquisition date, acquisition type, and capitalization exclusions have been review and are correct. A copy of the signed Financial Page should be digitally copied and retained on a Regional server.

### 8.3 Sample Real Property Inventory Database Financial Page

Exhibit 19 is a sample RPI database Financial Page screen that includes the data elements described in the preceding sections. For more information on a specific entry field, refer to the corresponding section reference.

Exhibit 19. Sample Real Property Inventory Database Financial Page

[create new test record](#) [Print](#) US Fish and Wildlife Service

[Spell Check](#) **UAT REVIEW** Real Property Inventory System

RO Financial data for capitalization and depreciation purposes

ORGCODE \_\_\_\_\_ Replacement Cost \_\_\_\_\_

Asset Code \_\_\_\_\_

Property Description \_\_\_\_\_

AssetNumber 10058271

8.2.7 Delete reason 8.2.8

Acquisition Type Acquisition date (mm/dd/yyyy) Construction Year USEFULLIFE useful life calc

8.2.10 AcqCost 8.2.13 FFSProjectCode

8.2.12 PpeType General

Historical Condition 5 Not Evaluated

8.2.11 Capitalization Exclude Incidental to land acquisition - less than 15%

8.2.15 Finance Notes Donation Form RECDATE 10/15/2007

8.2.16 ROTES

8.2.19 Retirements In Abeyance  Yes  No 8.2.20 Natural Disasters

8.2.18 Change To Existing Records  Yes  No

# 9.0 Real Property Inventory Database Financial Processing Maintenance

## 9.1 Chapter Overview

The Real Property Inventory (RPI) database is a programmatic tool that serves as a critical input for accounting operations. The Division of Financial Management (DFM) monitors and assesses the impact of certain RPI database activities that directly affect financial reporting. The RPI database does not maintain a register of the changes made to records after their initial entry. As a result, DFM must be informed of such adjustments in order to monitor changes to data that were included in previous financial statements. DFM performs quality assurance checks to detect when changes are made that will affect previously reported financial information and coordinates with the Budget and Finance Offices (BFOs) to make the appropriate financial statement adjustments.

Program staff will need to make changes to existing asset records that affect financial reporting during Comprehensive Condition Assessments (CCAs) and due to programmatic policy and procedural changes. DFM will be adopting the requirement for field station managers to inventory real property assets on an annual basis to meet the existence testing and financial statement audits requirements for real property assets.

This chapter addresses:

- ✓ Assessing the impact of changes to existing RPI database records
- ✓ Quality assurance checks
- ✓ Permitting significant changes to RPI database records
- ✓ Using the field station annual condition assessment to meet existence testing requirements

## 9.2 Assessing the Impact of Changes to Existing Real Property Inventory Database Records

The U.S. Fish and Wildlife Service (FWS or the Service) balance sheet is prepared quarterly using the RPI database records. Changes to the RPI database Financial Page have a direct and immediate effect on the FWS balance sheet. Facilities Management Coordinators (FMCs) should inform BFOs of the following adjustments within 30 days of the change:

- Disposal of real property assets (i.e., RPI database deletions)
- Acquisition cost adjustments
- Acquisition date adjustments
- Asset size adjustments
- Asset type adjustments
- Changes in stewardship plant property and equipment (PP&E) classifications
- Changes to capitalization exclusions

DFM monitors the changes above and evaluates the material impact of each change. The subsequent sections identify each change to RPI database records and describe the effects of changes to those records. Adjustments to RPI database entries that could significantly affect an asset's financial records should be reported on the RPI database Financial Page with explanatory notes in the Finance Notes field. Thresholds for determining significant changes are included with each data element, as appropriate.



### 9.2.1 Disposal of Real Property Assets (Real Property Inventory Database Deletions)

The disposal of real property assets is a complex process involving U.S. General Services Administration (GSA) regulations, the U.S. Department of the Interior (DOI or the Department) asset management plans, FWS CCAs, and several levels of approval. GSA has delegated authority to the Secretary of the Interior to determine that bureaus do not need DOI controlled excess real property and related personal property with an estimated fair market value, including all components of the property, and to dispose of the property by means most advantageous to the United States. The process for disposal includes abandonment, demolition, deconstruction, and off-site removal.

Generally, assets with the following attributes should be considered for disposition:

- Not mission critical for the operation or protection of Government property or other related activity
- Not historically or archeologically significant
- Not adequate for programmatic function
- Not cost effective to keep because of its poor condition
- Uneconomically utilized

Approved methods of disposal include:

- Transfer
- Sale
- Abandonment, destruction, or donation
- Off-site removal
- Demolition
- Deconstruction
- Exit of commercial lease agreement

The financial reporting of disposed real property assets is accomplished outside of the RPI database Financial Page. When asset records are deleted from the RPI database, a list of those assets and disposal types are provided to DFM. DFM uses the deleted asset list to perform the appropriate balance sheet adjustments. Reporting of disposed real property and the responsibilities of BFOs in the real property management process is described in a companion Real Property Program Handbook, which is currently being developed.

### 9.2.2 Acquisition Cost

Adjustments to the original total acquisition cost<sup>32</sup> affect the amount of accumulated depreciation and the Net Book Value (NBV). Changes in total acquisition cost should be reported on the RPI database Financial Page when the reported acquisition cost of a capitalized asset<sup>33</sup> meets the following criteria:

- Total acquisition cost changes by more than 10%
- The change is over \$20,000, and the asset remains capitalized or if the change results in capitalizing an asset or removing it from capitalization treatment.

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<sup>32</sup> The total acquisition cost includes subasset costs.

<sup>33</sup> The current capitalization threshold is \$100,000; for assets acquired during or prior to FY 2004, the capitalization threshold was \$50,000.

### 9.2.3 Acquisition Date

When the acquisition date changes resulting in extending or reducing the asset's remaining useful life by 10%, the asset transaction should be reported on the RPI database Financial Page. For example, if a date change adds more than 3 years to a 10 year old building, with 30 years remaining in its life cycle, the transaction should be reported on the RPI database Financial Page.

### 9.2.4 Asset Size

Adjustments to asset size affect the amount of accumulated depreciation and NBV, if the original acquisition cost was calculated using a per unit basis. The change should be reported on the RPI database Financial Page if the acquisition size changes by more than 10% of the original acquisition cost. Below is an example of a change in real property asset size.

#### Example

A 10,000 square foot building had an original acquisition cost of \$100,000, which was calculated using a \$10 per square foot cost basis. The size is corrected to 12,000 square feet and the new acquisition cost is now \$120,000. The increase should be reported on the RPI database Financial Page. However, an increase of 900 square feet should not be reported because 900 square feet is less than 10% of the original area estimate.

### 9.2.5 Asset Types

Accumulated depreciation schedules and NBVs are determined by the asset type's corresponding useful life. Therefore, if the asset type changes, it may affect the asset's useful life. If the useful life category changes (e.g., from 10 to 20 years), the change should be reported on the RPI database Financial Page.

### 9.2.6 Capitalization Exclusions

Assets that are to be capitalized, but were previously excluded from capitalization due to exclusion policies, should be reported on the RPI database Financial Page. The adjustments are also reflected on the balance sheet. Likewise, an asset that was previously capitalized and is now excluded from capitalization should be reported in the same manner. Circumstances that result in capitalization exclusion changes are assets reclassified as Service Managed not Service Owned (see [Chapter 2, Section 2.3.10, Service Managed not Service Owned](#)) and assets and permanent improvements to stewardship land not used in FWS operations. It should be noted that Stewardship assets are excluded from capitalization. The following example illustrates the process for capitalization exclusion adjustments.

#### Example

A trail reclassified from an unpaved trail (excluded as a permanent improvement to stewardship land) to a paved trail (Property, Plant, and Equipment (PP&E) asset) should be reported on the RPI database Financial Page<sup>34</sup>.

## 9.3 Real Property Asset Records Quality Assurance Checks

The real property business process has many internal controls that are annually documented and tested as part of the FWS OMB Circular A-123, Appendix A (A-123) implementation effort. In order to monitor changes to previously reported acquisition costs in the balance sheet, a series of quality assurance tests are performed by DFM, and provided to the Regional BFOs for research

<sup>34</sup> A heritage asset that was included in PP&E because it was given an RPI Historic Criteria of 6 (not evaluated), but was later evaluated and assigned an RPI Historic Criteria of 3 (National Register Eligible NRE) would be reported on the RPI Financial Page.

and verification. DFM reviews the following real property information as part of the A-123 implementation effort:

- Acquisition cost
- Inclusion/exclusion due to capitalization threshold
- Acquisition date
- Asset size
- Asset types
- Earthen canals, drainage ditches, and impoundments
- Personal property
- Heritage assets
- Permanent improvements to stewardship land

### 9.3.1 Acquisition Cost

DFM compares the asset capitalized acquisition costs in the current quarter to the previous quarter to detect changes. DFM may request information from the Regional BFO regarding the reasons for the changes.

### 9.3.2 Inclusion/Exclusion due to Capitalization Thresholds

DFM compares assets that were excluded from capitalization in the current quarter to the previous quarter to detect changes made other than for Construction Work-in-Progress (CWIP) processing. Such changes could include: assets classified as Service Managed not Service Owned, incidental to land acquisitions, permanent improvements to stewardship land, a fully depreciated asset, and an asset that does not meet the capitalization threshold, retired assets, assets scheduled for demolition or disposal, and assets no longer used in FWS operations.

### 9.3.3 Acquisition Date

DFM compares capitalized asset acquisition dates in the current quarter to the previous quarter to detect changes in acquisition dates. DFM may request information from the Regional BFO regarding the reasons for the changes.

### 9.3.4 Asset Size

DFM compares capitalized asset size in the current quarter to the previous quarter to detect changes in size and request the Regional BFOs to determine if per unit costs were used as a basis to calculate acquisition costs.

### 9.3.5 Asset Types

DFM compares capitalized asset types in the current quarter to the prior quarter to detect changes in asset type categories which affect asset useful lives. Normally the asset description will indicate the asset type; however, DFM should contact the Regional BFO if there is question as to the appropriate asset type.

### 9.3.6 Earthen Canals, Drainage Ditches, and Impoundments

DFM verifies that records with asset type classified as canals, drainage ditches, and impoundments designate “earth” as the material used and confirms the proper capitalization exclusion is applied (see [Chapter 3, Section 3.8.11 Permanent Improvement to Stewardship Land](#)). If another construction material is identified, the BFO should check to make sure the permanent improvement to stewardship asset classification has not been applied to the asset.

### 9.3.7 Personal Property Check

DFM generates a list of personal property items classified as trailers and generators with values over the capitalization threshold. DFM provides the list to the Regional BFOs for comparison to Personal Property Management System (PPMS) in order to detect duplicate reporting of those assets.

### 9.3.8 Heritage Assets

DFM compares assets to detect changes between the Historic Criteria classifications deemed heritage assets to the Historic Criteria classifications that are not considered heritage assets (see [Chapter 4, Section 4.2.2 Heritage Assets](#)). DFM notifies the appropriate Regional BFO to validate the changes with the Regional Archaeologist or person serving as the Historic Preservation Officer and makes financial reporting adjustments, as necessary.

### 9.3.9 Permanent Improvements to Stewardship Land

DFM compares property descriptions of assets classified as permanent improvements to stewardship land to verify the descriptions match the classification. DFM also checks asset descriptions for key words in the Property Description field of the RPI database to identify permanent improvements to stewardship land (e.g., beaches and nesting islands) to ensure the proper asset type is assigned.

## 9.4 Permitting Significant Changes to Real Property Inventory Database Records

There may be a need to periodically allow program staff to make significant changes to existing RPI database records to meet changing programmatic requirements. For example, it may be necessary to reconsider road lumping and splitting decisions made in FY 2004 and 2005 in order to accommodate current SAMMS road work orders and road reporting requirements. Likewise, changes to asset records may be necessary in order to accommodate standardization or changes in RPI database program management data practices. Most programmatic changes are expected to result from modifications to asset lumping and splitting decisions. If it becomes necessary to make major changes to RPI database records, DFM should issue guidelines tailored to the program objectives.

Guidelines should be predicated along the following principles:

- BFOs will serve as the Regional control point for monitoring and reporting significant changes to existing records to DFM
- Program managers will predetermine if new asset numbers will be established or existing asset numbers will be used for all changes
- When there is a zero sum effect on the balance sheet (no changes to acquisition costs or depreciation schedules), no further analysis is required
- Changes in total acquisition cost<sup>35</sup> of the asset up to 10% or \$20,000 (but not to exceed \$20,000) may be processed by BFOs; changes greater than \$20,000 must be provided to DFM via e-mail.
- For assets being lumped with different acquisition dates:
  - If the assets are fully depreciated, no further analysis is required
  - If the asset has less than half of its useful life remaining, dates may be averaged proportionate to acquisition costs and no further analysis is required

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<sup>35</sup> The total acquisition cost includes subasset costs.

- If the asset has more than half of its useful life remaining and the acquisition cost is less than \$500,000, the acquisition date<sup>36</sup> change request may be processed by the BFO
- If the asset has more than half of its useful life remaining and the acquisition cost is greater than \$500,000, the acquisition date<sup>36</sup> change request must be provided to DFM via e-mail
- Assets converted from PP&E status to stewardship asset status require no further analysis
- Assets converted from stewardship status to PP&E status will require a full acquisition cost and documentation and will be treated as newly discovered assets
- Asset types may be changed without further analysis if there is no change in life cycle
- Asset type changes that change asset life cycles should be provided to DFM via e-mail

## 9.5 Using Field Station Annual Condition Assessment to Meet Existence Testing

This section is under development by the National Wildlife Refuges System and will be included in the next update of the Real Property Financial Management Handbook.

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<sup>36</sup> The acquisition date may be averaged proportionate to the acquisition costs.

# 10.0 Programmatic Real Property Inventory Database Guidance

## 10.1 Chapter Overview

In the previous manual, Property, Plant, and Equipment (PP&E) Financial Management Guidance Handbook, real property programmatic information was distributed across multiple chapters. With this revision of the Real Property Financial Management Handbook, programmatic information is now consolidated into a single chapter.

This chapter addresses:

- ✓ Lumping and splitting of assets below the capitalization threshold
- ✓ Distinguishing between real and personal property assets
- ✓ Assigning Federal Financial System (FFS) project codes to real property improvement projects
- ✓ Using the Real Property Inventory (RPI) database dictionary for entering real property asset records

## 10.2 Lumping and Splitting of Assets below the Capitalization Threshold

### 10.2.1 Introduction to Asset Grouping Policies

Asset grouping refers to the lumping (i.e., aggregation) or splitting (i.e., disaggregation) of real property assets to meet the Service's program needs. As the RPI database is one of the Service's primary sources for formal financial reporting, lumping and splitting decisions of capitalized assets must comply with Federal accounting requirements.

### 10.2.2 Accounting Standards

Lumping and splitting of asset records for accounting purposes is more stringent than for the Service's programmatic needs. However, accounting requirements apply only to capitalized assets (i.e., assets with an acquisition cost greater than \$100,000). The same accounting standards are not required to be applied to non-capitalized assets.

Capitalized assets with different capitalization classifications, life cycles, and acquisition dates *cannot* be lumped. Assets also cannot be split in order to avoid capitalization. Likewise, assets should not be lumped in order to raise an asset to the capitalization threshold.

If an asset is an aggregate of components that function only as a non-severable part of the whole structure, the asset in total is treated as a single item and is subjected to capitalization criteria. However, if an asset consists of individual components, each of which has its own asset code and could stand alone as a functional asset, the individual components should be considered separately.

### 10.2.3 Program Standards

Lumping and splitting rules for non-capitalized asset records for program purposes are not as complex as accounting standards. Generally, program standards allow lumping and splitting of assets as desired by station managers as long as dissimilar asset types are not lumped.

Service policy directs that an asset must have a replacement cost value of at least \$5,000 to be assigned a unique RPI database asset number. Tracking small items is not an effective use of the

RPI database and Service resources, FWS policy recommends combining two or more small assets within a single asset number. All lumped assets should be listed in the Property Description entry field on the RPI database Financial Page.

#### 10.2.4 Coordinating the Accounting and Program Standards

Lumping and splitting decisions cannot be performed unilaterally by the Division of Financial Management (DFM), the National Wildlife Refuge System (NWRS), or the Fisheries and Habitat Conservation (AFHC) programs. Each group uses the RPI database for different reporting purposes and as a result, uniform lumping and splitting decisions may have an adverse effect. However, when there is a conflict in lumping and splitting decisions, for assets with an acquisition cost above \$100,000, the accounting requirements govern.

#### 10.2.5 Assets that Should be Lumped

The following section provides guidance and examples of asset lumping for new assets or newly discovered assets. In general, existing asset records should remain intact. See [Chapter 9, Real Property Inventory Database Financial Processing Maintenance](#) for guidance on how to make lumping and splitting changes.

If an asset does not have a replacement cost value of at least \$5,000, but is connected to (or is otherwise identified with) an asset greater than \$5,000, the asset should be lumped with the asset greater than \$5,000.

##### Example 1

A storage shed (\$2,500) located near a house (\$90,000) has a different asset code than the house. However, since the shed does not have a replacement cost value of at least \$5,000 it should be lumped with the asset number for the house.

If an asset does not have a replacement cost value of at least \$5,000, but can be lumped with assets of the same asset type, the asset must be lumped into a single asset number.

##### Example 2

A one quarter mile road (\$75,000) has three 20-inch culverts (\$700 each). Even though the culverts are a separate asset code, they are less than \$5,000 each or combined, so the culverts and road must be lumped into one asset number.

If an asset does not have a replacement cost value of at least \$5,000, but can be identified with another asset with a replacement cost of less than \$5,000, the assets must be lumped into one asset number. In these cases, the asset code of the “predominant” (more expensive) asset should be used.

##### Example 3

A septic system (\$4,500) is surrounded by a fence (\$800). A single asset number should be used for these assets. In addition, the septic system asset code should be used.

When lumping assets with a replacement cost under \$5,000 with capitalized assets, only those assets that are an integral part of the larger asset and are not severable from the asset should be lumped with the capitalized asset.

#### Example 4<sup>37</sup>

A gravel driveway (\$3,500) leading to a visitor center (\$142,000) should not be lumped with the asset number for the center because it has its own asset code and is considered severable. If there are no other assets with a replacement cost greater than \$5,000 that the driveway can be lumped with, the driveway should be assigned its own asset number. This should be considered an approved exception to the \$5,000 threshold.

### 10.2.6 Assets that Should Not be Lumped

If an asset has a replacement cost of \$5,000 or greater, it must not be lumped with another asset number unless it is a non-severable component of the other asset. Examples include:

#### Example 1

A septic system and a generator—A stand-by generator (\$50,000), which is attached to an office building (\$252,000), is not considered a component of the building. Therefore, both assets must have separate asset numbers in the RPI database.

#### Example 2

An asphalt parking lot next to an office building—An asphalt parking lot (\$7,500) next to an office building (\$252,000) must have its own asset number. Although it is associated with the building, it is not a component of the building.

#### Example 3

A two-mile road with eight culverts—A two mile road (\$235,000) with eight 36-inch culverts, (\$2,800 per culvert) creates two assets, with one asset code for the road and one asset code for the eight culverts.

## 10.3 Distinguishing Between Real and Personal Property

It is important to distinguish between real and personal property because each type of property receives different accounting treatment and is recorded in its own asset management system. Recording an asset in both the RPI database and the Personal Property Management System (PPMS) results in a double-counting of the asset.

In order to be classified as real property, an asset must be identifiable as an item on the U.S. Department of the Interior (DOI or the Department) Standard Asset List (see [Appendix 1](#)). Non-severable real property components include equipment assets that are permanently affixed to a real property asset and cannot be removed without affecting the structural integrity of the asset or are themselves integral to the functionality of the real property asset. Conversely, if the equipment can be moved without involving altering construction elements, it is generally classified as personal property.

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<sup>37</sup> The house in Example 1 does not exceed the real property capitalization threshold of \$100,000. Therefore, there is no accounting consequence from lumping the shed with the house. In Example 4, lumping the driveway with the visitor center would cause the visitor center to have a recorded cost of \$145,500, which is more than allowed by applicable accounting standards.



Exhibit 20 presents several examples that illustrate the distinction between real and personal property.

*Exhibit 20. Distinguishing between Real and Personal Property*

Real Property	Personal Property
A central pivot pump which is part of a circular irrigation system can be removed from the ground, but it would render the remainder of the irrigation system useless. Therefore, the entire irrigation system (arms, wheels, supports, etc) is classified as real property because none of the pieces are functional without the other.	Generators on skids that permit the generator to be moved from place to place, and are used for several activities are considered personal property.
Tanks and pumps that are affixed to a foundation and are permanently attached to pipes are considered real property because they could not be removed without affecting the functionality of the tanks.	Tanks and pumps that are placed on skids and are not permanently affixed to pipes or lines are considered personal property.
Mobile homes, office trailers and travel trailers used for offices or storage that are moved into place, raised off their wheels, set on foundations, and have permanently connected electrical, sewage, and water lines are considered real property.	Office trailers and travel trailers that are normally pulled by light duty trucks, have their electricity supplied by temporary wiring and have water supplied by hoses are considered personal property regardless of how long they stay in the same location.

## 10.4 Assigning Federal Financial System Project Numbers to Deferred Maintenance Projects

With this manual issuance, the policies requiring FFS project numbers for deferred maintenance funding in the Director’s Memorandum of September 14, 2000, entitled “Mandatory Use of Deferred Maintenance Project Codes on Obligation Documents” (see [Appendix 5](#)), is hereby expanded to *all* funding sources used for constructing or improving real property assets. As a result, if part of a deferred maintenance project uses a generic resource management FFS project number (such as 12610000 or 13110000) the program staff must establish a unique project number to capture the costs in the Service Asset Maintenance Management System (SAMMS) and FFS.

Any two characters may be used for the station identifier in the project number for annual, equipment, and deferred maintenance as long as it is unique.

The following examples show the assignment of FFS project numbers.

**Annual Maintenance** – Regardless of the project size, enter the annual maintenance into FFS using the organization code, subactivity, and project number unique to the field station.

- 11614-1262-**A1TL**
- A = annual maintenance, 1 = Region number, TL = station identifier

**Equipment Replacement** – Regardless of the project size, enter the equipment replacement into FFS using the organization code, subactivity, and project number unique to the field station.

- 21749-1313-**B2F8**
- B = equipment replacement, 2 = Region number, F8 = station identifier

**Deferred Maintenance Projects Less Than \$50,000** – Enter the project into FFS using the organization code, subactivity, and project number unique to the field station.

- 61670-1262-**D618**
- D = deferred maintenance < \$49,999, 6 = Region number, 18 = station identifier

**Deferred Maintenance Projects \$50,000 or Greater** – Enter the project into FFS using the organization code, subactivity, and project number unique to the MMS project.

- 61670-1313-**6098**
- 6 = Region number, 098 = project specific number

**Heavy Equipment** – Enter heavy equipment with a value greater than \$50,000 into FFS using “H” followed by the Region. The last two digits are the station identifier.

- 61670-1313-**H645**
- H = heavy equipment, 6 = Region number, 45 = unique identifier

**Rental Equipment**—Enter rental equipment into FFS using “R” followed by the Region. The last two digits are assigned by the Region.

- 61670-1313-**R615**
- R = rental equipment, 6 = Region number, 15 = identifier assigned by the Region

## 10.5 Real Property Inventory Database - Data Dictionary and Data Entry Instructions

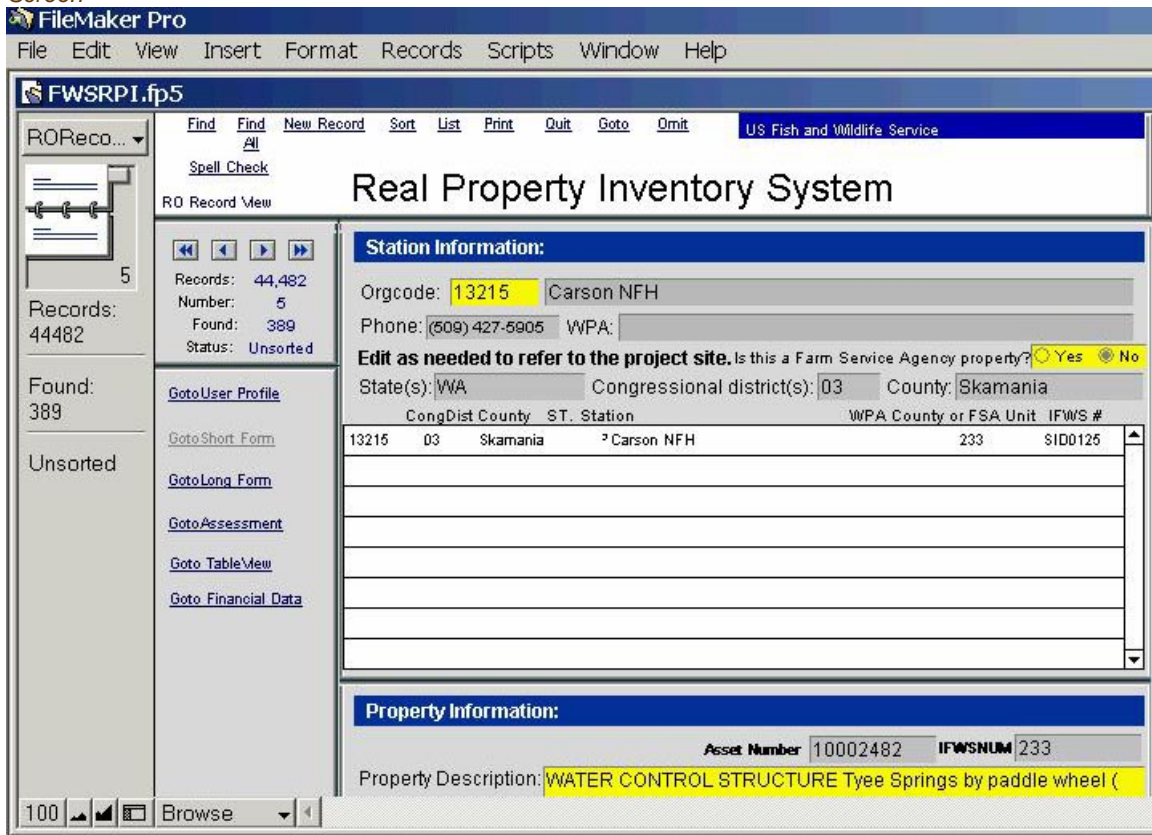
The RPI database is designed to provide field stations with an automated mechanism for maintaining up-to-date information concerning real property assets. Information from the database will be used to meet Federal Real Property Profile requirements, as well as financial and program audits. Section 10.5.1 addresses station information; Section 10.5.2 addresses property information; and Section 10.5.3 addresses narrative notes.

### 10.5.1 Real Property Inventory Database: Station Information Screen

This section provides field definitions, instructions, and examples for each entry field of the RPI database Station Information screen. When entering station information in the RPI database, use the actual location (headquarters or satellite) of the asset to determine the correct information for each field.

Exhibit 21 presents the Station Information screen of the RPI database.

Exhibit 21. Real Property Inventory Database: Station Information Screen



#### 10.5.1.1 Org Code

The organization code field is a five-digit code assigned by DFM for use by the field station's organizational unit.

- Example: 13215

#### 10.5.1.2 Station Name

The station name is determined by the Division of Realty.

- Example: Brazoria

#### 10.5.1.3 Phone

The phone field provides the field station's telephone number.

- Example: (409) 849-7711

#### 10.5.1.4 WPA

The WPA field provides the name of the specific WPA project/program to which the asset is related, if applicable.

#### 10.5.1.5 Farm Service Agency Property

The Farm Service Agency Property field is a "Yes" or "No" entry field that specifies whether or not the asset it is a Farm Service Agency property.

#### **10.5.1.6 States**

The States field identifies the State in which the particular real property item is situated.

- Example: TX

#### **10.5.1.7 Congressional District(s)**

The Congressional District(s) field identifies the congressional district in which the station is located.

- Example: 14

#### **10.5.1.8 County**

The County field identifies the primary county/parish in which the building/structure is located.

- Example: Brazoria

## 10.5.2 Real Property Inventory Database: Property Information Screen

This section provides field definitions, instructions, and examples for each entry field of the RPI database Property Information screen. Exhibit 22 presents the Property Information screen of the RPI database.

Exhibit 22. Real Property Inventory Database: Property Information Screen

**FileMaker Pro - [FWSRPI.fp5]**

File Edit View Insert Format Records Scripts Window Help

**Property Information:**

Asset Number: 10000082 IFWSNUM: 856

Property Description: Metal Barn, Salmon Creek Unit ( Old RPI Number 6)

Asset Code: 30400300 Asset Type: Bldg Storage Equip Vehicle Size: 15,000.00 SQ FT Energy Using: 0.0 SQFT

GSA Usage: Storage (buildings) GSA Type/Usage Code: BLDG / 40

Historic Criteria: Not evaluated for inclusion on National Register of Historic Places

HPONotes: [Redacted]

Disabled Access: No

Public Use: No

Miss Crit/Water Mgmt: No

excess: No

Latitude: 40 Longitude: 124 Tract Number: 48

Unit location or Start point: 40 North 124 West 48

End point: [Redacted]

Construction Year: 1950 Acquisition Date: 4/1/1988 Acquisition Type: Constructed Disposal Date: [Redacted] Disposal Type: [Redacted]

Estimated Base Replacement Cost: \$435,000 Base Year: 2003 Estimating Method: Cost Estimating Guide CPI Factor: 101.93% Calculated Current Year Replacement Cost: \$443,396

Monthly Lease Rate: [Redacted] Current Lease Rate: [Redacted] Lease Expires: [Redacted] Renewal Option: [Redacted] Finance error check: [Redacted]

Mark for Deletion? No Reason: [Redacted]

**Administration:**

Station Notes: Located in Salmon Creek unit of refuge. All refuge equipment/vehicles stored in this facility. Rehabilitated 2001 for \$125K.

Regional Notes: orig cost was \$35785.46 Note Fy 2001 renovation \$129,000, originally purchased with land

National Notes: [Redacted]

**SAMMS PROJNUM**

00110417 BACKLOG DMorEQ

This project involves replacing a 75 year old Large Refuge with a North Pacific Coast Waterfowl Museum/Environmental Education Center. The project would house historical waterfowl and decoy exhibits and be a focal point for the interpretation of historic waterfowling along the entire north coast. In addition there would be a field laboratory for environmental education, and a boardwalk connecting to existing trails. This project would be a compliment to the Richard J. Guadagno

100 Browse

### 10.5.2.1 SAMMS Asset Number

The SAMMS Asset Number field is automatically populated by the RPI database. A subasset number appended to the asset number indicates a capitalized improvement and signals the Regional Budget and Finance Office (BFO) and FMC to prepare an acquisition package to increase the capitalized cost. A subasset number is only used for capitalized assets.

A SAMMS asset number is assigned to a particular real property asset owned or leased directly (other than through GSA) by the Service. Property numbers should not be reused after disposal of an asset. New property records should have the next sequential property number assigned by the database. New construction projects should have an asset number assigned at the beginning of the construction phase.

### 10.5.2.2 IFWSNUM

The Identification Fish and Wildlife Service (IFWS) number field is a unique alphanumeric code assigned by the Division of Realty – Washington Office to identify an area over which the Service has obtained jurisdiction.

- Example: 768

### 10.5.2.3 Property Description

The Property Description field is a complete and concise description of the property limited to 200 characters. An accurate description of the property is expected. If there are two facility types, for example, a dike with a water control structure, there must be two records. However, if the water control structure cost is less than \$5,000, then it must be mentioned in the Property Description field and a note placed in the Station Notes field stating that the asset is below \$5,000.

When capitalized improvement projects are on-going, the property description is prefixed with the term "CWIP" (Construction Work-in-Progress). When the project is completed the prefix will be removed by the Asset Management Coordinator (AMC), the Facilities Management Coordinator (FMC), or the Regional BFO.

### 10.5.2.4 Asset Type

The Asset Type field specifies the main facility type of the asset.

- Example: Water control structures

### 10.5.2.5 Asset Size

The Asset Size field identifies measurement requirements for the asset such as linear feet, square feet, etc., depending on the asset code chosen. Actual measurement or the use of drawings, maps, or other source documents is recommended to ensure accuracy. All new assets require actual measurement. The size may be corrected after final submission of the record. Acceptable documents are drawings, maps, Global Positioning System (GPS) data, or field measurements of the asset. Some records will require separate entry. For example, a building will require square feet and energy usage data to be entered, and a bridge will require the size in linear feet, as well as opening width.

### 10.5.2.6 Asset Code

The Asset Code field is populated by referring to the DOI Standard Asset List and Definitions (see [Appendix 1](#)) and selecting the most appropriate code for the asset. If an asset is comprised of two assets (e.g., dike with water control structure), and each has a replacement cost of more than \$5,000, a separate RPI database record must be created for each asset. If one of the assets is below \$5,000, it must be mentioned in the Property Description field and a note placed in Station Notes field clearly stating the asset is below \$5,000.

### 10.5.2.7 Historic Criteria

The Historic Criteria identifies whether the asset is classified as a heritage asset, and if so, by what standard criteria.

- Example: Historical Structure (listed on the National Register of Historic Places)

### 10.5.2.8 Recorded Cost

The Recorded Cost field description is under development and will be included in the next update of the Real Property Financial Management Handbook.

### 10.5.2.9 Demolish

The Demolish field indicates an asset has no functional use and should be demolished.

### 10.5.2.10 Age

The Age field indicates the age of the asset, determined from either the asset's acquisition documentation or an estimate, if applicable. For non-capitalized assets constructed, purchased, or acquired via donation or transfer during FY 1998 or later, it is assumed that adequate documentation of the asset's acquisition date is available in FWS records. If documentation for an asset acquired prior to FY1998 does not exist, an estimate of the year the asset was acquired should be developed. The estimate may take the form of:

- A certification from a field station manager or other site staff who have direct knowledge of the acquisition year
- An engineer's professional estimate and certification of the age of the asset
- A third party engineering firm's professional estimate and certification of the age of the asset

Newly discovered assets that only have estimates of their acquisition year are assumed to be placed in service on April 1 (the fiscal year midpoint) of that year. Although acquisition year documentation should be present for all assets, it is impractical to develop estimates for all assets. The degree of confidence required for acquisition year estimates decreases as the asset reaches and passes its useful life. An asset that is readily recognized as more than 50% beyond its estimated useful life (e.g., an asset with a 10 year depreciable life is readily recognized as being at least 15 years old) requires no estimate of acquisition year. For these assets, an attestation by a knowledgeable official as to the asset's approximate age will suffice. See [Chapter 7, Documenting Real Property Acquisition Costs and Dates](#), for assigning acquisition costs to newly discovered assets.

### 10.5.2.11 Construction Year

The Construction field displays the year the asset was constructed, regardless of who built the asset. When assets are constructed by or for the Service, the acquisition date should be consistent with the construction year. For a donation, the date should be the approximate year the asset was constructed. The field station enters the construction year initially and the Regional Office may modify the field.

If no construction year information can be found, a "0" must be entered. The four-digit year of the construction must be supported with documentation. Documentation may include, but is not limited to the following:

- Contracts
- Invoices
- Payments
- Construction acceptance reports

- Dated photographs
- Newspaper articles
- Dated maps

#### **10.5.2.12 Cumulative Cost – (Now Recorded Cost)**

Refer to [Chapter 10, Section 10.5.2.8 Recorded Cost](#).

#### **10.5.2.13 Disposal Date (Previous Disposal Year)**

The Disposal Date field indicates the property disposal date (when the asset was physically demolished) in mm/dd/yyyy format. The Regional Office and the field station have the ability to enter and modify this field.

#### **10.5.2.14 Improvement Cost**

The Improvement Cost field description is under development and will be included in the next update of the Real Property Financial Management Handbook.

#### **10.5.2.15 Energy Using**

The Energy Using field indicates the square feet of the heated/cooled area and is required for all buildings. Electrical lighting is excluded from this field. If the utility (heating and/or air conditioning) is paid by the resident, enter "0"; if paid by the station, enter the applicable square feet for the heated/cooled area.

#### **10.5.2.16 GSA Usage**

The GSA Usage field identifies the predominant use of the asset.

- Example: Reclamation and Irrigation

#### **10.5.2.17 GSA Type**

The GSA Type field identifies the type of asset using the GSA standard asset list.

- Example: Building

#### **10.5.2.18 Usage Code**

The Usage Code field identifies the portion of the GSA code specific to the asset type.

- Example: 50

#### **10.5.2.19 Predominant Construction Material**

The Primary Construction Material field indicates the primary asset composition (i.e., asphalt, concrete, earth, gravel, masonry, metal, wood, or other). If "other" is used, annotate the materials used in the property description.

- Example: Concrete

#### **10.5.2.20 Facility Condition Assessment**

The Facility Condition Assessment identifies the Facility Condition Index (FCI) resulting from a completed condition assessment. This information is automatically populated from the Condition Assessment screen and includes ratings of "Good," "Fair" and "Poor."



#### **10.5.2.21 Facility Condition Index**

This Facility Condition Index (FCI) identifies the numeric FCI calculation resulting from a completed condition assessment. This information is automatically populated from the Condition Assessment screen. An FCI will be automatically calculated for each asset with a replacement cost greater than \$50,000. This is the ratio of the total deficiencies (repairs) divided by the current replacement cost. The FCI indicates the depleted value of facility.

- FCI < 0.05 is good
- FCI 0.05 to 0.10 is fair
- FCI > 0.10 is poor

#### **10.5.2.22 Disabled Access**

The Disabled Access field is a "Yes" or "No" entry field that identifies if the asset is accessible to the disabled community.

#### **10.5.2.23 HPO NOTES**

The HPO Notes field is an area for narrative comments from the Regional Historic Preservation Officer (HPO).

- Example: Last survey completed 4/20/02

#### **10.5.2.24 Public Use**

The Public Use field is a "Yes" or "No" entry field that identifies whether the asset is available for public use.

#### **10.5.2.25 MssCrit-WatrMgmt**

The MssCrit-WaterMgmt field is a "Yes" or "No" entry field that identifies if the asset is a mission critical water management asset.

#### **10.5.2.26 Excess**

The Excess field is a "Yes" or "No" entry field that identifies if the asset is Service excess property.

#### **10.5.2.27 AltEnergy**

The AltEnergy field is a "Yes" or "No" entry field that identifies if the asset uses an alternative energy resource.

#### **10.5.2.28 Vacant**

The Vacant field is a "Yes" or "No" entry field that identifies if the asset is vacant.

#### **10.5.2.29 AnnMaintReq**

The AnnMaintReq field is a "Yes" or "No" entry field that identifies if the asset requires annual maintenance.

#### **10.5.2.30 Unit Location or Start Point: Latitude**

The Unit Location or Start Point: Latitude field identifies Geographic Information System (GIS) data for the start point of the latitude.

#### **10.5.2.31 Unit Location or Start Point: Longitude**

The Unit Location or Start Point: Longitude field identifies GIS data for the start point of the longitude.

#### **10.5.2.32 Unit Location or Start Point: Tract Number**

The Unit Location or Start Point: Tract Number identifies GIS data for the start point of the tract number.

#### **10.5.2.33 End Point Latitude**

The End Point Latitude field identifies GIS data for the end point of the latitude.

#### **10.5.2.34 End Point Longitude**

The End Point Longitude field identifies GIS data for the end point of the longitude.

#### **10.5.2.35 Disposal Date**

The Disposal Date field displays the property disposal date in mm/dd/yyyy format from the DI 103A. Effective March 1, 2004, all data previously entered into the Disposal Year field will be systematically converted to the date format. The Regional Office has the ability to enter and modify this field.

- Example: 06/28/2004

#### **10.5.2.36 Disposal Type**

The Disposal Type field displays the method by which the property was disposed. The Regional Office has the ability to enter and modify this field. Examples of disposal types include:

- Bid sale
- Exchange
- Revocation of withdrawal
- Transfer to non-Federal
- Transfer to Federal
- Demolish

#### **10.5.2.37 Base Replacement Cost**

The Base Replacement Cost field description is under development and will be included in the next update of the Real Property Financial Management Handbook.

#### **10.5.2.38 Base Year**

The Base Year field indicates the year that replacement cost estimate was made. This should also be the year of record entry.

#### **10.5.2.39 Base Cost Estimating Method**

The Base Cost Estimating Method field indicates the approach for determining the asset's base cost. The estimating guide and manager's estimates are not authorized for use in new records. One of the following must be used with appropriate backup documentation:

1. Actual Cost - Preferred method (required for all new assets entered into the RPI database that have been constructed or purchased); confirming documents are required
2. Appraisal - Confirming documents are required

### 3. Engineering Estimate - Confirming documents are required

Construction contracts, appraisals, contractor invoices, and other independent party (equally defensible) documentation from the field are accepted. Cost guide and manager's estimates are not authorized for new records in the RPI database.

#### **10.5.2.40 CCI**

The CCI (Construction Cost Index) field represents a quarterly 30-city market basket analysis of the most commonly used construction materials, labor trades, and construction equipment.

#### **10.5.2.41 Calculated Current Year Replacement Cost**

The Calculated Current Year Replacement Cost field identifies the replacement cost and is carried over from the Condition Assessment screen of the RPI database. This value is calculated using the following, in order of priority:

1. Inflation adjusted to the recorded cost of the asset
2. Inflation adjusted for the acquisition cost of a recently acquired asset with an identical asset type, comparable size, quality, and capacity, in the same geographical location
3. FWS Acquisition and Replacement Cost Estimate Worksheet (see [Appendix 9](#))

#### **10.5.2.42 Monthly Lease Rate**

The Monthly Lease Rate field indicates the dollar amount of the monthly lease.

#### **10.5.2.43 Current Lease Effected**

The Current Lease Effected field indicates the date that the current lease was issued. This format is month/day/year (mm/dd/yyyy).

#### **10.5.2.44 Lease Expires**

The Lease Expires field indicates the date that the lease is scheduled to expire. This format is month/day/year (mm/dd/yyyy).

#### **10.5.2.45 Method of Measure**

The Method of Measure field indicates whether the field measurement is an estimate or the result of a physical measurement taken during a site visit.

- Example: Actual

#### **10.5.2.46 Renewal Option (YRS)**

The Renewal Option (YRS) field indicates the number of renewal option years. This is a numeric field.

#### **10.5.2.47 Mark for Deletion**

The Mark for Deletion field is a "Yes" or "No" entry field that indicates if the asset should be removed from the RPI database records. Station and Regions may not delete records of disposed property. If property has been disposed, the record should be marked for deletion and an explanation should be provided. Prior to actual deletion, the Division of Financial Management – Washington Office (DFM-WO) will provide the Regions with a list of proposed deletions for review by FMCs and BFOs. Once approved, DFM-WO should delete the record.

## 10.5.3 Real Property Inventory Database: Narrative Notes Screen

### 10.5.3.1 Station Notes

The Station Notes field is available for the field station staff to enter additional comments/explanation/notes.

### 10.5.3.2 Regional Notes

The Regional Notes field is available for the Regional Office staff to enter additional comments/explanation/notes.

### 10.5.3.3 National Notes

The National Notes field is available for the Washington Office management to enter additional comments/explanation/notes.

### 10.5.3.4 Financial Notes

The Financial Notes field is available for the Regional BFOs to enter additional comments/explanation/notes.

# Appendices

# Appendix 1—DOI Standard Asset List and Definitions

DOI Asset Type	GSA Code	DOI Asset Code	DOI Standardized Definition
Land		20000000	
Agriculture	01	20010000	Land under cultivation for food or fiber production
Grazing	04	20040000	Conservation lands primarily administered to preserve, protect, manage, or develop grass and other forage resources suitable for livestock. Exclude Wilderness Areas from this classification.
Corral/Livestock Area		20040100	Containment area for animals.
Forest and Wildlife	07	20070000	Conservation lands primarily administered to preserve, protect, manage, or develop timber, wildlife, watershed, and recreational resources. Exclude Wilderness Areas from this classification.
Parks and Historic Sites	08	20080000	Land administered for cemeteries, memorials, monuments, parks (national, historic, military, memorial, and national capitol), sites (battlefield and historic), parkways, and recreation areas. Exclude Wilderness Areas from this classification.
Archeological Site		20080100	A site that includes any material remains of past human life or activities that are of archeological interest, including, but not limited to: structures or portions of structures, pit houses, rock art, intaglios, mounds, graves, human skeletal materials, or any portion or piece of any of these items. An archeological site can consist of prehistoric and/or historic remains, both underground and above ground (see Ruin, 40780200).
Paleontological Site		20080200	A site that includes fossilized plants, animals, or their traces, including both organic and mineralized remains in body or trace form, which is studied and managed in its paleoecological and geological context.
Wilderness Areas	09	20090000	Lands designated by Congress as a part of the National Wilderness Preservation System.
Office Building Locations	10	20100000	Land containing office buildings or future planned office buildings, to include military headquarters buildings.
Administrative/Geographical Site		20100100	Area or land, used and/or set aside for program purposes (such as office complex, housing, fire station, fire lookout, work camp, schools, cultural landscapes, communication site, or historical/interpretive site) bounded by a more or less defined perimeter, or established boundary.
Miscellaneous Military Land	11	20110000	Department of Defense (DoD) and US Coast Guard (USCG) controlled land used for military functions that cannot be classified elsewhere.
Airfields	12	20120000	Land used for military air bases or air stations, and military or civilian landing fields.
Harbors and Ports	13	20130000	Land used for harbor and port facilities.
Post Offices	14	20140000	Land used in conjunction with a Post office and used predominantly as a general service and access area.
Power Development and Distribution	15	20150000	Land used for power development and distribution projects.
Reclamation and Irrigation	16	20160000	Land used for reclamation and irrigation projects.
Flood Control and Navigation	18	20180000	Land used for flood control and navigation projects.
Vacant	19	20190000	Land not being used.
Institutional	20	20200000	Land used for institutional purposes such as hospitals, prisons, schools, libraries, chapels, and museums.
Housing	30	20300000	Land used primarily for public housing projects, military personnel quarters, and dwellings for other Federal personnel.
Storage	40	20400000	Land used primarily for supply depots and other storage.

DOI Asset Type	GSA Code	DOI Asset Code	DOI Standardized Definition
<b>Industrial</b>	<b>50</b>	20500000	Land used for physical plant engaged in producing and manufacturing ammunition, aircraft, ships, vehicles, electronic equipment, chemicals, aluminum, magnesium, etc.
<b>Space Exploration</b>	<b>65</b>	20650000	Land used in direct support of space exploration and utilization, including launch and test sites, emergency landing sites (not airfield), and astronaut training.
<b>Research and Development</b>	<b>70</b>	20700000	Land used directly in basic and applied research, such as science, medicine, and engineering.
<b>Communication Systems</b>	<b>72</b>	20720000	Land used for telephone and telegraph lines, data transmission lines, satellite communications, and other communications facilities or towers.
<b>Navigation and Traffic Aids</b>	<b>73</b>	20730000	Land used for aircraft and ship navigation aids, such as beacon lights, antenna systems, ground control approach systems, and obstruction lighting.
<b>All Other Land</b>	<b>80</b>	20800000	Land that cannot be classified elsewhere.
<b>Training Land</b>	<b>81</b>	20810000	Land containing training buildings, or land that is used to conduct outdoor training, such as firefighting, weapons training, or other military training activities.
<b>Recreation Area</b>		20800100	Area or land, used and/or set aside for recreational purposes bounded by a defined perimeter.
<b>Building</b>		35000000	Any structure with a roof and commonly enclosed by walls, designed for storage, human occupancy, or shelter for animals, distinguished from other structures not designed for occupancy (such as fences or bridges). Buildings include offices, warehouses, post offices, hospitals, prisons, schools, housing and storage units. Fixed equipment, that is permanently attached to and a part of the operation of the building, and cannot be removed without cutting into the walls, ceilings or floors, is also included. Examples of fixed equipment include plumbing, heating and lighting equipment, elevators, central air conditioning systems and built-in safes and vaults.
<b>Bldg Office</b>	<b>10</b>	35100000	Buildings primarily used for office space or military headquarters.
<b>Bldg Post Office</b>	<b>14</b>	35140000	Buildings or portions of buildings used as a Post Office.
<b>Bldg Hospital (35210000)</b>	<b>21</b>	35210000	Building used primarily for furnishing in-patient diagnosis and treatment under physician supervision and having 24-hour-a-day registered graduate nursing services. This category also includes medical laboratories used for routine testing. This category excludes buildings used directly in basic or applied medical research.
<b>Bldg Prisons and Detention Centers</b>	<b>22</b>	35220000	Buildings under the jurisdiction of the department of justice or department of defense used for the confinement of federal or military prisoners.
<b>Bldg Adult and Juvenile Detention Center</b>		35220100	A building for keeping in custody adult persons, and young persons, child, or youth.
<b>Bldg Adult Detention Center</b>		35220200	A building for keeping in custody adult persons.
<b>Bldg Juvenile Detention Center</b>		35220300	A building for keeping in custody a young person, child, or youth.
<b>Bldg School</b>	<b>23</b>	35230000	Buildings used primarily for formally organized instruction, such as schools for dependent children of Federal employees, Indian schools, and military training buildings including specialized training facilities.
<b>Bldg School Day Care</b>		35230100	A building designed and used primarily for daytime care given to preschool and/or adolescent children.
<b>Bldg School Preschool</b>		35230200	A building/educational facility designed and used primarily for children prior to kindergarten.
<b>Bldg School Kindergarten</b>		35230300	A school/educational facility for Kindergarten and may include pre-school and/or daycare.
<b>Bldg School Elementary</b>		35230400	School/education facility that includes grades K-6 or K-8 and may also include pre-school.
<b>Bldg School Middle</b>		35230500	A school/educational facility usually having grades 6 through 8 and may include grade 9.

DOI Asset Type	GSA Code	DOI Asset Code	DOI Standardized Definition
<b>Bldg School Secondary</b>		35230600	School/educational facility for grades 9 through 12 or 10 through 12.
<b>Bldg School Post Secondary</b>		35230700	Building/educational facility used primarily for purposes beyond grade 12.
<b>Bldg School Vocational</b>		35230800	School/educational facility with classes and hands on training in a specific profession, trade, or occupation.
<b>Bldg School Environmental Education Center</b>		35230900	A building/educational facility used for structured education to build knowledge, skills and abilities in students and others about wildlife-related environmental topics and programs.
<b>Bldg School Trade Shop</b>		35231000	A building that serves single or multiple educational training functions such as welding, carpentry, automotive shop, etc.
<b>Bldg School Art</b>		35231100	Building used for the human ability to design, create and to express the creativity of man as distinguished from the world of nature.
<b>Bldg Training Center</b>		35231200	A building used to instruct personnel on programs, techniques, goals, policies, procedures, regulations, standards, and direction relating to individual agency missions.
<b>Bldg Other Institutional Uses</b>	<b>29</b>	35290000	Buildings used for institutional purposes other than schools, hospitals, and prisons, such as libraries, chapels, museums, and out-patient clinics. This category also includes food preparation and dining facilities, buildings housing entertainment and recreational activities, and visitor's centers.
<b>Bldg Museum Repository</b>		35290100	A building used to store, protect and/or display museum property.
<b>Bldg Library</b>		35290200	A building used for a large systematically arranged collection of books for reading or reference
<b>Bldg Law Enforcement Center</b>		35290300	Building designed to support local law enforcement operations, and may include short term lockup area.
<b>Bldg Courthouse</b>		35290400	A building in which court proceedings are held
<b>Bldg Clinic</b>		35290500	A building where medical personnel administer to outpatient treatment
<b>Bldg Dispensary</b>		35290600	A building that has medical services available, which has one or several of the following: a medical treatment facility; basic medical supplies/services; a dental facility; or x-ray equipment.
<b>Bldg Visitor Center</b>		35290700	A building designed specifically for the purpose of orienting visitors to resources and programs and providing other services to support visitation. Usually includes exhibits and restrooms; sometimes gift shops.
<b>Bldg Visitor Contact Station</b>		35290800	A building smaller than 5,000 square feet or which has 50% or less of its square footage devoted to direct service to visitors. This is a place where we distribute information and regulations intended to welcome and orient visitors.
<b>Bldg Entrance Station</b>		35290900	A small building used primarily for the collection of fees and distribution of limited information and regulations with no additional visitor services.
<b>Bldg Restaurant</b>		35291000	A building where meals are served to customers that usually contains communal restrooms and a food preparation area.
<b>Bldg Gymnasium</b>		35291100	A building used for indoor athletic or fitness activities. May contain courts, locker facilities, or specialized sporting or exercise equipment.
<b>Bldg Stadium</b>		35291200	A large oval, round, or U shaped building that surrounds an open event area, for sports, concerts, etc and is surrounded by tiers of seats for spectators.
<b>Bldg Pressbox Outside</b>		35291300	A building used for reporters.
<b>Bldg Dining Hall Cafeteria</b>		35291400	Building containing kitchen facilities, food preparation areas, serving areas, and table areas for dining.
<b>Bldg Auditorium</b>		35291500	A building used to accommodate listening to or viewing of performances by seated students and/or guests.



DOI Asset Type	GSA Code	DOI Asset Code	DOI Standardized Definition
<b>Bldg Student Union</b>		35291600	A building used on educational campuses for student activities such as snack bar, pool, social activities etc.
<b>Bldg Lodge/Motel/Hotel</b>		35291700	A building for public accommodation.
<b>Bldg Retail Store</b>		35291800	A building used to sell goods to customers.
<b>Bldg Family Housing</b>	<b>30</b>	35300000	Buildings primarily used as dwellings for families/dependents. Includes apartment houses, single houses, row houses, public housing, military personnel housing, Federal employee housing, and housing for institutional personnel.
<b>Bldg Housing Mobile Home</b>		35300100	A mobile building, fitted with parts for connection to utilities that can be relocated and used predominantly for housing. This definition does not include trailers that reside on wheels.
<b>Bldg Housing Single Family</b>		35300200	Detached building constructed to house one family.
<b>Bldg Housing Multi-Family Plex</b>		35300300	Building consisting of two or more single family housing units such as duplexes, triplexes, townhouses, row houses, etc.
<b>Bldg Housing Apartment</b>		35300400	Building consisting of multiple single family housing units with access from a common corridor.
<b>Bldg Housing Cabin</b>		35300500	A building with fewer utilities and/or rooms than a typical single-family house.
<b>Bldg Housing Garage</b>		35300600	Any building associated with housing designed for the purpose of parking vehicles.
<b>Bldg Housing Support Building</b>		35300700	Any building that directly supports employee housing functions, such as showering, laundry, and cooking-
<b>Bldg Dormitories/Barracks</b>	<b>31</b>	35310000	Buildings primarily used as dwellings for housing individuals (without families/dependents).
<b>Bldg Warehouses</b>	<b>41</b>	35410000	Buildings used for storage, such as ammunition storage, covered sheds, and buildings primarily used for storage of vehicles or materials. Also included are underground or earth covered ammunition storage bunkers and magazines. This category excludes water reservoirs and POL storage tanks which are storage structures.
<b>Bldg Warehouse Fire Cache</b>		35410100	A building used to store equipment and vehicles used for fire management and suppression.
<b>Bldg Warehouse Seed Feed</b>		35410200	A building used to store seed, feed, or grain to protect it from damage by moisture or infestation.
<b>Bldg Warehouse Equipment Vehicle</b>		35410300	A building used to store vehicles or equipment, including heavy equipment.
<b>Bldg Warehouse Garage, Bus</b>		35410400	Any building associated with schools for storing or parking one or more buses or bus associated property.
<b>Bldg Warehouse Shed Outbuilding</b>		35410500	A small structure, either freestanding or attached to a larger structure, to be used as storage or shelter.
<b>Bldg Warehouse Chemical</b>		35410600	A building designed to store materials that may be hazardous if leaked or spilled. Design may incorporate spill containment, explosion proof lights or other electrical fixtures.
<b>Bldg Warehouse Warehouse</b>		35410700	Building/structure designed for storage or production purposes, which may include an office area and/or loading dock.
<b>Bldg Warehouse Explosive</b>		35410800	A building designed and used to store high explosives such as C4, TNT, Blasting caps, or black or smokeless powder.
<b>Bldg Industrial</b>	<b>50</b>	35500000	Buildings specifically designed and primarily used for production or manufacturing, such as the production or manufacture of ammunition, aircraft, ships, vehicles, electronic equipment, fish production, chemicals, aluminum, and magnesium. Included are buildings that house utility plants or utility system components such as pump stations or valves.
<b>Bldg Fish Production</b>		35500100	Hatchery building, isolation building, spawning building, incubation building, holding house and other buildings and sheds primarily used for fish culture and or egg/ fish/ shellfish/toads or salamanders production.

DOI Asset Type	GSA Code	DOI Asset Code	DOI Standardized Definition
<b>Bldg Pump House Well House</b>		35500200	A building used to shelter pumps, piping pressure switches, or other related equipment.
<b>Bldg Power Generation</b>		35500300	Building specifically designed and constructed to house power generation equipment. It does not include the utility system components such as engines, turbines, generators, alternative energy sources, and associated control equipment for the purpose of electrical current generation.
<b>Bldg Sewage Treatment</b>		35500400	Building specifically designed and constructed to house sewage treatment components. It does not include systems used to treat sewage.
<b>Bldg Water Treatment</b>		35500500	A building specifically designed and constructed to house water treatment components. It does not include the systems used to treat raw source water to produce potable water.
<b>Bldg Service</b>	<b>60</b>	35600000	Building used for service activities, such as maintenance and repair shops, dry cleaning plants, post exchange stores, airport hangars, and garages primarily used for vehicle maintenance and repair.
<b>Bldg Service Shop Maintenance</b>		35600100	Building used for performing various service activities such as mechanical or preventive maintenance work on various vehicles, welding, sheet metal work, and painting including auto shops, carpenter shops, metal shops etc.
<b>Bldg Auto Service Refueling</b>		35600200	Building used for the maintenance, service, repair and fueling of vehicles/equipment (service/gas station).
<b>Bldg Communications Systems</b>	<b>72</b>	35722000	Buildings used for telephone and telegraph systems, data transmission, satellite communications and/or associated with radio towers or other communication facilities.
<b>Bldg Navigation and Traffic Aids</b>	<b>73</b>	35730000	Includes buildings that house aircraft or ship navigation and traffic aids, such as beacon lights, antenna systems, ground control approach systems and obstruction lighting.
<b>Bldg Lighthouse</b>		35730100	A tower building displaying a light or lights for the guidance of maritime vessels.
<b>Bldg Laboratories</b>	<b>74</b>	35740000	Building used directly in basic or applied research in the sciences (including medicine) and in engineering, such as medical laboratories; meteorological research laboratories; and buildings used in designing, developing, and testing of prototypes and processes for chemistry and physics. This category excludes medical or industrial laboratories used for routine testing.
<b>Bldg Laboratory</b>		35740100	Building used for scientific research and development. Likely to house specialized scientific equipment for conducting scientific experiments or analysis.
<b>Bldg All Other</b>	<b>80</b>	35800000	Buildings that cannot be classified elsewhere.
<b>Bldg Fortification</b>		35800100	A fortified place often constructed of earth, logs, timber, masonry, stone, or concrete, exclusively military in nature that is strengthened for protection against attack.
<b>Bldg Animal Shelter</b>		35800200	A building used to provide animals shelter from inclement weather.
<b>Bldg Parachute Operation</b>		35800300	A building designed for the packing, repair, cleaning, and storing of parachutes.
<b>Bldg Multi-Purpose</b>		35800400	A building that serves multiple functions such as cafeteria, gymnasium, and assembly area.
<b>Bldg Barn Stable</b>		35800500	A building used to hold or shelter animals or livestock feed. May also contain feeding, exercise or birthing areas.
<b>Bldg Fire Station</b>		35800600	A building used for fire equipment and staff to ensure readiness. May include communications facilities or living quarters for fire fighters.
<b>Bldg Concession</b>		35800700	Building used for certain profit activities that provide customer services.
<b>Bldg Cultural Center</b>		35800800	A building used for training and refinement of the mind pertaining to American Indian and other cultural practices, interest, taste, skills, arts and crafts
<b>Bldg Hogan</b>		35800900	A typical dwelling of the Navajo Indians, built of earth walls supported by timbers.

DOI Asset Type	GSA Code	DOI Asset Code	DOI Standardized Definition
<b>Bldg Comfort Station</b>		35801000	A building with fixtures for defecation and urination, washing and sometimes showering that may include a septic vault and is primarily used by the public.
<b>Bldg Laundry</b>		35801100	A building specifically used for laundering clothes, linens, etc.
<b>Bldg Security</b>		35801200	A building where activities to assure safety, and a defense against interference, espionage to buildings, grounds, and equipment are provided.
<b>Bldg Forestry</b>		35801300	A building used for multiple forestry functions such as administration, equipment maintenance or other specialized forestry activities.
<b>Bldg Aircraft Dispatch</b>		35801400	A building used to dispatch aircraft
<b>Bldg Greenhouse</b>		35801500	A translucent or transparent building used in the conservation or production of plants or plant material.
<b>Bldg Garage Detached</b>		35801600	Any building, not associated with an individual housing unit, used for parking automobiles.
<b>Structure</b>		40000000	A constructed asset that does not meet the definition of a building.
<b>Airfield Improvements/ Pavements</b>	<b>12</b>	40120000	Runways, helicopter landing pads, taxiways, and aprons.
<b>Retardant Ramp</b>		40120100	A designated location where fire retardant is stored, mixed, and loaded into aircraft for wild land fire suppression.
<b>Airstrip</b>		40120200	A cleared area for landing and takeoff of aircraft.
<b>Helipad</b>		40120300	An area designated for the landing of helicopters, with or without heliport facilities.
<b>Aircraft ramp</b>		40120400	An area for parking aircraft or moving aircraft from a storage/maintenance area to a runway or helipad.
<b>Harbor and Port Facilities</b>	<b>13</b>	40130000	Docks, piers, wharves, jetties and breakwaters, and other harbor, port, or coastal facilities.
<b>Pier</b>		40130100	A permanent structure built to extend from land out over water that may be used for multiple purposes such as docking vessels, and loading and/or unloading passengers and goods.
<b>Dock Stationary</b>		40130200	A stationary platform over water utilized for loading/unloading passengers, supplies, materials from small and large vessels or providing recreational fishing opportunities.
<b>Dock Floating</b>		40130300	A floating platform over water utilized for loading/unloading passengers, supplies, materials from small and large vessels or providing recreational fishing opportunities.
<b>Marina Waterfront</b>		40130400	Facility primarily for marine operations that may include piers, jetties, seawalls, docks, bulkheads, boat launch, harbor masters office, restrooms, picnic area, parking, etc.
<b>Boat Launch</b>		40130500	Ramp used to launch and land boats.
<b>Power Development and Distribution</b>	<b>15</b>	40150000	Hydroelectric and other power development projects that produce power for resale (generally consisting of dams and powerhouses). Include transmission lines that are an integral part of Federal power development, even if the power is produced by another Federal agency.
<b>Power System Hydro</b>		40150100	A facility where the force of water is used to produce electricity. Normally uses a dam.
<b>Electrical Distribution System</b>		40150200	Facility designed for the delivery of electric energy to customers. Includes high voltage transmission lines, substations, and distribution lines.

DOI Asset Type	GSA Code	DOI Asset Code	DOI Standardized Definition
<b>Dam</b>		Definition only. See dam types below.	Any artificial barrier, including appurtenant works, which impounds or diverts water, and which (1) is twenty-five feet or more in height from the natural bed of the stream or watercourse measured at the downstream toe of the barrier or from the lowest elevation of the outside limit of the barrier if it is not across a stream channel or watercourse, to the maximum water storage elevation or (2) has an impounding capacity at maximum water storage elevation of fifty acre-feet or more. If a barrier is not in excess of six feet in height regardless of storage capacity, or it has a storage capacity at maximum water storage elevation of less than or equal to fifteen acre-feet, regardless of barrier height, it is not a dam.
<b>Dam Low Hazard</b>		40150300	Structure meets the definition of a dam and its failure or mis-operation results in no probable loss of human life and low economic and/or environmental losses. Losses are principally limited to the owner's property.
<b>Dam Significant Hazard</b>		40150400	Structure meet the definition of a dam and its failure of mis-operation results in no probable loss of human life but can cause economic loss, environmental damage, disruption of lifeline facilities, or impact other concerns. Dam is often located in predominantly rural or agricultural areas but could be located in areas with population and significant infrastructure.
<b>Dam High Hazard</b>		40150500	Structure meet the definition of a dam and its failure or mis-operation will probably cause loss of human life.
<b>Dam Non Program</b>		40150600	A structure built across a watercourse to impound water and create a reservoir. These dams meet one of the two following criteria. They have a controlled outlet height less than 6 feet regardless of storage capacity or have a storage capacity of less than 15 acre-feet regardless of height.
<b>Reclamation and Irrigation</b>	<b>16</b>	40160000	Canals, laterals, pumping stations, storage, and diversion dams.
<b>Water Control Management</b>		40160100	Centralized control center for managing water and/or power releases in a specified drainage basin. May also include water and power facilities and structures.
<b>Impoundment</b>		40160200	A place where a body of water is formed or stored.
<b>Constructed Waterway</b>		40160300	An artificial waterway for conveying water or for irrigating land.
<b>Constructed Waterway Canal</b>		40160400	An open artificial waterway used to transport or move water by gravity from one location to another. Canals may be called laterals, sub-laterals, etc. "Main Canal" is the main canal beginning at the head gate and delivers water to the farm or to laterals.
<b>Constructed Waterway Piping</b>		40160500	An enclosed artificial waterway used to transport or move water from one location to another. May be pressurized.
<b>Constructed Waterway Tunnel</b>		40160600	A facility that is constructed by excavating through natural ground to convey water.
<b>Constructed Waterway Siphon</b>		40160700	A tunnel, tube, or pipe through which water flows over a high point by gravity.
<b>Constructed Waterway Flume</b>		40160800	An artificial channel, often elevated above ground, used to carry water.
<b>Drainage Ditch</b>		40160900	Trench or furrow used to drain water from managed lands. Includes bare earth, riprap lined and concrete lined ditches.
<b>Irrigation Culvert</b>		40161000	An individual conduit or pipe installed to carry surface water through an embankment or obstacle. NOTE: If culvert is under a road, cover under "Roads" category.
<b>Water Control Structure</b>		40161100	A structure on a stream or canal that is used to regulate the flow or stage of a stream or canal. May include flashboard or stop-log risers, screw gates, drop gates, valves, multi-bay units, sheet piling, weirs, checks, etc.
<b>Water Control Structure Check</b>		40161200	A structure used to regulate the upstream water surface level and control the downstream flow in a canal.
<b>Water Control Structure Chute</b>		40161300	A structure for conveying free-flowing materials at high velocity to lower elevations.

DOI Asset Type	GSA Code	DOI Asset Code	DOI Standardized Definition
<b>Water Control Structure Division Box</b>		40161400	A structure that directs or divides flow from a supply pipe or channel between two or more distribution laterals.
<b>Water Control Structure Drop</b>		40161500	A structure that conveys water to a lower elevation and dissipates the excess energy resulting from the drop.
<b>Water Control Structure Headgate</b>		40161600	A gated structure for making controlled releases in a canal, lateral, or turnout.
<b>Water Control Structure Headwork</b>		40161700	A structure, usually at the start of a main canal for making controlled releases in a canal, lateral, or turnout.
<b>Water Pumping Station</b>		40161800	A facility/structure used to lift or move water from lakes, rivers canals or other above ground water sources.
<b>Dam</b>		Definition only. See dam types below.	Any artificial barrier, including appurtenant works, which impounds or diverts water, and which (1) is twenty-five feet or more in height from the natural bed of the stream or watercourse measured at the downstream toe of the barrier or from the lowest elevation of the outside limit of the barrier if it is not across a stream channel or watercourse, to the maximum water storage elevation or (2) has an impounding capacity at maximum water storage elevation of fifty acre-feet or more. If a barrier is not in excess of six feet in height regardless of storage capacity, or it has a storage capacity at maximum water storage elevation of less than or equal to fifteen acre-feet, regardless of barrier height, it is not a dam.
<b>Dam Low Hazard</b>		40161900	Structure meets the definition of a dam and its failure or mis-operation results in no probable loss of human life and low economic and/or environmental losses. Losses are principally limited to the owner's property.
<b>Dam Significant Hazard</b>		40162000	Structure meet the definition of a dam and its failure of mis-operation results in no probable loss of human life but can cause economic loss, environmental damage, disruption of lifeline facilities, or impact other concerns. Dam is often located in predominantly rural or agricultural areas but could be located in areas with population and significant infrastructure.
<b>Dam High Hazard</b>		40162100	Structure meet the definition of a dam and its failure or mis-operation will probably cause loss of human life.
<b>Dam Non Program</b>		40162200	A structure built across a watercourse to impound water and create a reservoir. These dams meet one of the two following criteria. They have a controlled outlet height less than 6 feet regardless of storage capacity or have a storage capacity of less than 15 acre-feet regardless of height.
<b>Levee Dike</b>		40162300	Water detention/retention structure or retaining wall that impounds bodies of relatively shallow water to create or restore wetland habitat. Levees are generally earthen structures designed to retain water within a floodway and protect adjacent areas.
<b>Flood Control and Navigation</b>	<b>18</b>	40180000	River improvements, revetments, dikes, dams, and docks.
<b>Water Control Management</b>		40180100	Centralized control center for managing water and/or power releases in a specified drainage basin. May also include water and power facilities and structures.
<b>Impoundment</b>		40180200	A place where a body of water is formed or stored.
<b>Constructed Waterway</b>		40180300	An artificial waterway for navigation.
<b>Constructed Waterway Canal</b>		40180400	An open artificial waterway used to transport or move water by gravity from one location to another. Canals may be called laterals, sub-laterals, etc. "Main Canal" is the main canal beginning at the head gate and delivers water to the farm or to laterals.
<b>Constructed Waterway Piping</b>		40180500	An enclosed artificial waterway used to transport or move water from one location to another. May be pressurized.
<b>Constructed Waterway Tunnel</b>		40180600	A facility that is constructed by excavating through natural ground to convey water.
<b>Constructed Waterway Siphon</b>		40180700	A tunnel, tube, or pipe through which water flows over a high point by gravity.

DOI Asset Type	GSA Code	DOI Asset Code	DOI Standardized Definition
<b>Constructed Waterway Flume</b>		40180800	An artificial channel, often elevated above ground, used to carry water.
<b>Water Control Structure</b>		40180900	A structure on a stream or canal that is used to regulate the flow or stage of a stream or canal. May include flashboard or stop-log risers, screw gates, drop gates, valves, multi-bay units, sheet piling, weirs, checks, etc.
<b>Water Control Structure Check</b>		40181000	A structure used to regulate the upstream water surface level and control the downstream flow in a canal.
<b>Water Control Structure Chute</b>		40181100	A structure for conveying free-flowing materials at high velocity to lower elevations.
<b>Water Control Structure Division Box</b>		40181200	A structure that directs or divides flow from a supply pipe or channel between two or more distribution laterals.
<b>Water Control Structure Drop</b>		40181300	A structure that conveys water to a lower elevation and dissipates the excess energy resulting from the drop.
<b>Water Control Structure Headgate</b>		40181400	A gated structure for making controlled releases in a canal, lateral, or turnout.
<b>Water Control Structure Headwork</b>		40181500	A structure, usually at the start of a main canal for making controlled releases in a canal, lateral, or turnout.
<b>Water Pumping Station</b>		40181600	A facility/structure used to lift or move water from lakes, rivers canals or other above ground water sources.
<b>Dam</b>		Definition only. See dam types below.	Any artificial barrier, including appurtenant works, which impounds or diverts water, and which (1) is twenty-five feet or more in height from the natural bed of the stream or watercourse measured at the downstream toe of the barrier or from the lowest elevation of the outside limit of the barrier if it is not across a stream channel or watercourse, to the maximum water storage elevation or (2) has an impounding capacity at maximum water storage elevation of fifty acre-feet or more. If a barrier is not in excess of six feet in height regardless of storage capacity, or it has a storage capacity at maximum water storage elevation of less than or equal to fifteen acre-feet, regardless of barrier height, it is not a dam.
<b>Dam Low Hazard</b>		40181700	Structure meets the definition of a dam and its failure or mis-operation results in no probable loss of human life and low economic and/or environmental losses. Losses are principally limited to the owner's property.
<b>Dam Significant Hazard</b>		40181800	Structure meet the definition of a dam and its failure of mis-operation results in no probable loss of human life but can cause economic loss, environmental damage, disruption of lifeline facilities, or impact other concerns. Dam is often located in predominantly rural or agricultural areas but could be located in areas with population and significant infrastructure.
<b>Dam High Hazard</b>		40181900	Structure meet the definition of a dam and its failure or mis-operation will probably cause loss of human life.
<b>Dam Non Program</b>		40182000	A structure built across a watercourse to impound water and create a reservoir. These dams meet one of the two following criteria. They have a controlled outlet height less than 6 feet regardless of storage capacity or have a storage capacity of less than 15 acre-feet regardless of height.
<b>Levee Dike</b>		40182100	Water detention/retention structure or retaining wall that protects facilities from flood runoff. Levees are generally earthen structures designed to retain water within a floodway and protect adjacent areas.
<b>Storage (Other than building)</b>	<b>40</b>	40400000	Storage tanks, silos, igloos, underground vaults, and open storage improved areas. This category includes water reservoirs and POL storage tanks.
<b>Water Storage Tank</b>		40400100	Tank used to store water.
<b>Fuel Storage Tank</b>		40400200	Tank used to hold multiple grades and types of fuel underground or above ground.
<b>Fuel Storage Tank Above Ground Non-pressurized</b>		40400300	Above ground tank used to store liquid petroleum products.

DOI Asset Type	GSA Code	DOI Asset Code	DOI Standardized Definition
<b>Fuel Storage Tank Underground Non-pressurized</b>		40400400	Below ground tank used to store liquid petroleum products.
<b>Fuel Storage Tank Propane Natural LNG Pressurized</b>		40400500	Tank used to store compressed fuel gases.
<b>Other Storage Tank</b>		40400600	Non-pressurized tank used to store liquids other than fuel and water.
<b>Other Storage Tank Above Ground</b>		40400700	Above ground non-pressurized tank used to store liquids other than fuel and water.
<b>Other Storage Tank Underground</b>		40400800	Under ground non-pressurized tank used to store liquids other than fuel and water.
<b>Pole Barn</b>		40400900	A structure not enclosed, i.e. pole barn, lean to, etc. Usually used as storage.
<b>Environmental Containment Site</b>		40401000	A site for the storage of hazardous and explosive materials.
<b>Grain Bin</b>		40401100	Tanks used to store grain in Bulk
<b>Industrial (Other than buildings)</b>	<b>50</b>	40500000	Includes structures and facilities (other than buildings) used for production or manufacturing, such as sliding shipways, retaining basins, and pipelines.
<b>Fish Screen</b>		40500100	Structure with screened barriers used to control fish entry.
<b>Fish Production Pond</b>		40500200	Pond used for fish production purposes.
<b>Fish Production Kettle</b>		40500300	Depressed concrete catch basin used for concentrating and collecting fish as water is lowered in fish production ponds.
<b>Fish Production Raceway</b>		40500400	Elongated rectangular fish production structure that provide water flow, provide oxygenated water, and remove waste.
<b>Fish Production Burrow</b>		40500500	Circular or semi-circular fish production structure that provides water flow, oxygenated water, and removes waste.
<b>Fish Production Oxygenation System</b>		40500600	Structure used to store and/or deliver oxygen to fish production systems.
<b>Fish Ladder Spawning Channel</b>		40500700	Structure used for fish passage over a physical barrier.
<b>Service (Other than building)</b>	<b>60</b>	40600000	Structures used for maintenance and repair, such as underground fueling systems, vehicle washing and greasing facilities, aircraft bore sight ranges, guided missile maintenance facilities, and ship repair structures.
<b>Parking Structures</b>	<b>66</b>	40660000	Independent structures for non-residential parking of more than two vehicles.
<b>Parking Lot</b>		40660100	A Flat, single level designated area used for temporary occupation of vehicles.
<b>Parking Garage</b>		40660200	A multi story structure used for temporary occupation of vehicles.
<b>Carport Detached</b>		40660300	An open-air structure with a roof designed to protect tenants' vehicles from sun or rain that is detached from the quarters.
<b>Research and Development (other than laboratories)</b>	<b>70</b>	40670000	Structures and facilities used directly in basic or applied research in science, medicine, and engineering, such as facilities used in the design, development, and testing of prototypes and processes and space and aeronautics research and development. Excludes facilities used for routine testing.
<b>Utility System</b>	<b>71</b>	40710000	Heating, sewage, water, and electrical systems that serve several buildings or other structures of an installation. When these systems serve a single building that is reported separately, include the utility systems' cost in the cost of the building. Includes heating plants and related steam and gas lines, sewage disposal plants, storm and sanitary sewer lines, water treatment plants, wells, pump houses, reservoirs, and pipelines. Also includes electrical substations, standby or auxiliary power plants, lighting structures, and conduits.
<b>Power Generating Facility</b>		40710100	A facility that contain engines, turbines, generators, alternative energy sources and associated control equipment for the purpose of electrical current generation.

DOI Asset Type	GSA Code	DOI Asset Code	DOI Standardized Definition
<b>Power Distribution System</b>		40710200	The portion of an electric system that is dedicated to delivering electric energy to an end user. The distribution system "steps down" power from high-voltage transmission lines.
<b>Water Treatment Facility</b>		40710300	A facility that treats raw source water to produce a safe and potable domestic water supply. Can also be used to remove heavy metals, salts, contaminants, and other toxic chemicals or biological agents from raw water, mine seepage/wastewater, or seepage water from other sources for deposition into a watercourse.
<b>Water Distribution System</b>		40710400	An open or closed system used to distribute water by gravity or pressure from a collection point to use point(s).
<b>Wildlife Water Production System</b>		40710500	System used specifically for wildlife enhancement and production where a controlled water environment and a distinct separation from domestic utility systems are critical to the production of wildlife. Controlled utility systems may include flow gauging, water chilling, system production wells, rain catchment and holding, etc.
<b>Water Well</b>		40710600	Facility used to remove ground water for some beneficial use.
<b>Wastewater Collection System</b>		40710700	A collection system including pipes, sewage lines, manholes, vaults, septic tanks, pumps, and other works necessary for the collection, treatment, and disposal of wastewater.
<b>Sewage Treatment Facility Plant</b>		40710800	System used to remove sewage waste from associated water producing a cleaned effluent safe for discharge to some point. May include settling ponds, aeration, clarification units, disinfection, sludge or nutrient removal units and discharge piping.
<b>Septic System</b>		40710900	Underground or mound system used to remove sewage waste from associated water and provide below ground discharge of cleaned water through absorption or evaporation.
<b>HVAC Plant</b>		40711000	Plant that provides heating, ventilation, and air-conditioning systems to condition air for multiple buildings and/or other structures of an installation.
<b>Fuel System</b>		40711100	A system of pipes, pumps, valves, and regulators for the purpose of distributing fuel from a source to points of use.
<b>Electrical System</b>		40711200	An electrical distribution system consists of conductors and appurtenances utilized to convey electricity to a point of use.
<b>Solid Waste System</b>		40711300	A solid waste management system that handles solid waste (garbage/refuse) and recyclable material from collection/processing to the disposal site. It may include installed trash/recycle containers, compactors, incinerators, etc.
<b>Communication System</b>	<b>72</b>	40720000	Telephone and telegraph lines, data cables, radio towers, and other communications-related structures.
<b>Telecommunication</b>		40720100	An external system that supports infrastructure requirements for communications. Includes but not limited to radio, telephone, intercom, emergency equipment, information technology systems, security and safety systems, low or high water level alarms, etc. May include cabling, wiring, radio base stations, repeaters, antennas, satellite dishes, and switching devices.
<b>Communication Tower</b>		40720200	Tower used to elevate communication reception and transmission antennas, or satellite dishes.
<b>Navigation and Traffic Aids (other than buildings)</b>	<b>73</b>	40730000	Structures for aircraft and ship navigation aids, such as beacon lights, antenna systems, ground control approach systems, and obstruction lighting. Includes demarcation lighting along runways, taxiways, and other airfield pavements.
<b>Recreation</b>	<b>75</b>	40750000	Outdoor recreational structures such as campgrounds, picnic areas, athletic fields and courts, stadiums, golf courses, ski slopes and other maintained landscapes.
<b>Campground</b>		40750100	Designated public use area for camping.



DOI Asset Type	GSA Code	DOI Asset Code	DOI Standardized Definition
<b>Picnic Area</b>		40750200	A designated area that may include picnic tables, solid waste container, restroom, parking area, etc.
<b>Maintained Landscape</b>		40750300	Land that is maintained for aesthetic or athletic purposes, e.g. formal gardens, overlook/vista, battlefield, playing fields, baseball diamonds, etc.
<b>Swimming Pool</b>		40750400	A tank or large artificial basin constructed above/below ground that contains purified water for recreational purposes.
<b>Swimming Area</b>		40750500	A designated area that is posted and maintained for recreational swimmers.
<b>Beach</b>		40750600	Area along water that may be used for swimming, sunbathing and associated recreation by the public.
<b>Kiosk</b>		40750700	Open-air structure used for interpretive media such as interpretive panels, wayside exhibits, maps, brochure racks, or other information.
<b>Amphitheater</b>		40750800	A designated area with seating where participants can gather for movies, nature talks, interpretive presentations, etc.
<b>Pavilion</b>		40750900	An open-air structure with a roof to protect occupants from sun or rain. May house picnic tables, solid waste containers, restrooms, etc.
<b>Trail Paved</b>		40751000	Improved path or course constructed with paving materials.
<b>Trail Unpaved</b>		40751100	Designated natural path or course.
<b>Trail River</b>		40751200	Designated natural and/or improved waterways used for travel.
<b>Boardwalk</b>		40751300	A structure to facilitate access across wet areas, sensitive habitat or plant communities, or areas physically difficult to cross.
<b>Road and Bridge</b>	<b>76</b>	40760000	Federally-owned highways, roads, related culverts, and connecting bridges. Includes surfaced and unsurfaced roads within National parks and forests, military installations, and other Federal installations.
<b>Road Paved</b>		40760100	Improved surface constructed of paving materials used for vehicular transportation.
<b>Road Gravel</b>		40760200	Graded, drained gravel surface used for vehicular transportation.
<b>Road Dirt</b>		40760300	Earthen surface used for vehicular transportation.
<b>Bridge</b>		40760400	Structure erected over a waterway or other obstruction, such as roads or railways and having a track/passageway for traffic or other moving loads (i.e., pedestrian, animal, vehicular, etc.).
<b>Road Bridge</b>		40760500	A structure including supports erected over a depression or an obstruction, such as water, highway, or railway, and having a track or passageway for carrying traffic or other moving loads, and having an opening measured along the center of the roadway of more than 20 feet between undercroppings of abutments or spring lines of arches, or extreme ends of openings for multiple boxes. May also include multiple pipes, where the clear distance between openings is less than half of the smaller contiguous opening (AASHTO).
<b>Crossing</b>		40760600	Any structure that generally meets the above definition of a "Road Bridges," except it is less than the required 20 feet in overall span.
<b>Culvert Road Bridge</b>		40760700	Multiple box culverts or multiple pipe structures underneath roadbeds to allow passage of water. Pipe structures must be 20 feet or greater from the outside pipe edges.
<b>Trail Bridge</b>		40760800	Spanning structure designed to be used by pedestrians, animals, bicycles, ATVs, etc.
<b>Tunnel</b>		40760900	A structure constructed by excavating through natural ground to convey traffic, water or house conduits or pipes.
<b>Road Tunnel</b>		40761000	A structure that is constructed by excavating through natural ground to convey vehicular traffic. May also include the conveyance of water, conduits, and/or pipes.

DOI Asset Type	GSA Code	DOI Asset Code	DOI Standardized Definition
<b>Trail Tunnel</b>		40761100	A structure that is constructed by excavating through natural ground to convey pedestrian, animal, bicycle, & ATV traffic. May also include the conveyance of water, conduits, and/or pipes.
<b>Road Culvert</b>		40761200	Individual or multiple conduit or pipe installed to carry surface water under a highway, railroad, canal, or other embankment.
<b>Road Culvert Major</b>		40761300	Individual or multiple conduit or pipe installed to carry surface water under a highway, railroad, canal, or other embankment. The cross sectional area of any single pipe is greater than 35 sq. ft.
<b>Road Culvert Minor</b>		40761400	Individual or multiple conduit or pipe installed to carry surface water under a highway, railroad, canal, or other embankment. The cross sectional area of any single pipe is less than 35 sq. ft.
<b>Guardrail</b>		40761500	A railing or barrier usually constructed of concrete, steel or wood, placed along the edge of a roadway at dangerous points.
<b>Railroads</b>	<b>77</b>	40770000	Tracks, bridges, tunnels, and fuel or water stations servicing railroads.
<b>Railroad Trestle</b>		40770100	A structure spanning and providing passage over a gap or barrier, such as a river or roadway by a train or trolley, consisting of vertical, slanted supports, horizontal crosspieces, and a set of parallel rails.
<b>Railroad Track Bed</b>		40770200	A set of parallel rails with suitable ballast material that will support a locomotive and accompanying load.
<b>Monument and Memorial</b>	<b>78</b>	40780000	Federal monuments, memorials, and statues.
<b>Outdoor Sculpture</b>		40780100	Outdoor structure, statuary, marker or an informational post that may consist of concrete, masonry, stone, wood, etc.
<b>Ruin</b>		40780200	Property, site, or structure that is no longer used for its intended purpose but is significant in American history and/or prehistory, architecture, archeology, or culture whose occupation and utilization has been interrupted or discontinued for an extended period of time. Generally earthen (including prehistoric and historic earthen mounds and earthworks), stone, or masonry architecture (see Archeological Site, 20080100).
<b>Monument</b>		40780300	A structure erected to commemorate a person or event.
<b>All Other</b>	<b>80</b>	40800000	Sidewalks, parking areas, fences, and walking trails that cannot be readily classified under the above categories. Includes improvements to public domain lands, such as drainage, grading, and landscaping.
<b>Bulkhead</b>		40800100	A wall or partition erected to resist ground or water pressure.
<b>Fencing</b>		40800200	A physical barrier or boundary used as protection or confinement for humans and/or wildlife. May include barbed wire, split rail, chain link, wooden, stone, electric, etc.
<b>Gate</b>		40800300	Structure that provides an opening for access through a fence.
<b>Cattle Guard</b>		40800400	A structure composed of slotted openings over a depression that is used to contain cattle within a fenced area.
<b>Sign</b>		40800500	A structure intended to convey a posted command, warning, or direction or to provide information or delineate a boundary.
<b>Bleacher Outside</b>		40800600	Structure that may be portable or permanent for seating.
<b>Nesting Island</b>		40800700	Artificially constructed habitat to provide safe waterfowl nesting.
<b>Mobile Home Pad</b>		40800800	A designated portion of land used to place a movable living unit with or without utility hookups.
<b>Observation Deck Platform Tower</b>		40800900	Raised structure used to provide enhanced viewing.

DOI Asset Type	GSA Code	DOI Asset Code	DOI Standardized Definition
<b>Fire Tower</b>		40801000	Raised structure used seasonally to detect, monitor, and coordinate wildfire activities.
<b>Fish Public Display Pond</b>		40801100	A body of water used to hold fish for display.
<b>Weapons Ranges</b>	<b>82</b>	40820000	Ranges where weapons are fired and areas where explosives are detonated

# Appendix 2—Capital Leases

## 2.1 Introduction

A capital lease is a lease that transfers substantially all the benefits and risks of ownership to the Service. These leases are capitalized as a Service asset. The determination of whether a lease will be a capital lease is accomplished well in advance of the acquisition because of the possible budget scoring that may be required.

### 2.1.1 Policy

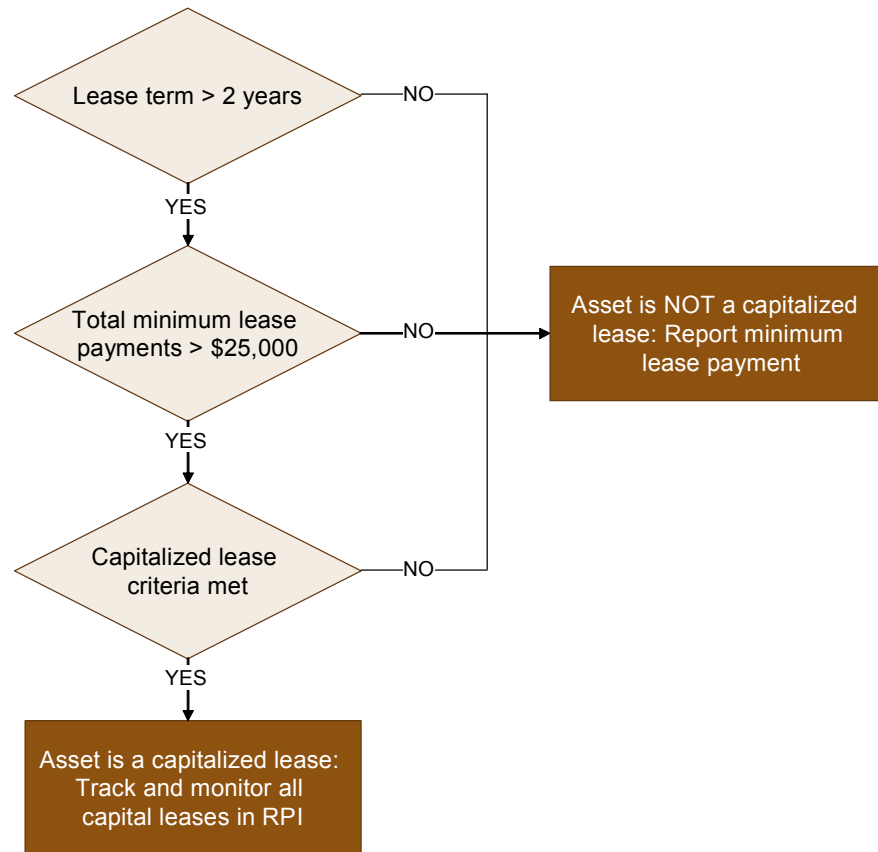
A lease is considered to be a capital lease when one of the four criteria below is met.

1. Ownership of the property is transferred to the Service at or shortly after the end of the lease term
2. The property is purchased at a bargain price at the end of the lease term
3. The lease term is greater than 75% of the estimated economic useful life of the asset
4. The Present Value (PV) of the minimum lease payment over the life of the lease is greater than 90% of the Fair Market Value (FMV) of the asset at the beginning of the lease term

The Service should avoid capital leases. With a capital lease, there is a possibility that rental payments over the life of the lease may exceed the value of the property. Therefore, it may be more economical to construct a building rather than lease a building or execute a lease-purchase agreement.

## 2.1.2 Procedures

### 2.1.2.1 Capitalize and Operating Lease Decision Tree



The following spreadsheet applies the criteria in SFFAS 5 to determine if a lease should be classified as a capital lease. If it results in a determination of capitalization, the BFO will notify DFM of the lease cost, acquisition date, and identify FFS source documents.

#### 2.1.2.2 Input the following Information

- Description of lease/asset
- Date of lease
- Information from the lease:
  - Non-cancelable lease term (years)
  - *If the likelihood that the government will cancel the lease before expiration is remote, then terms related to the availability of funds should not be considered in determining the non-cancellable lease term.*
  - Annual Lease Payment (\$)
  - Cost to purchase asset at end of lease
  - *If lease does not contain a purchase arrangement, enter "N/A". Otherwise enter a \$ amount.*
- Information about the lease:
- Estimated total useful life of the asset (in years)

- Age of asset at lease inception (years)
  - If new, enter 0*
  - Value of leased asset at lease inception (i.e., what is the asset worth today?)
  - Estimated value of asset at end of lease (i.e., when the non-cancellable term is up)
- Other information
  - Interest rate (annual). Use *Daily Treasury Yield Curve Rate*<sup>38</sup> for time period closest to lease term.

### 2.1.2.3 Circle “Yes” or “No” in response to each question

One or more "Yes" answers indicate a capital lease.

1. Does the lease transfer ownership of the property to the lessee by the end of the non-cancelable lease term?
2. Does the lease contain an option to purchase the leased property at a bargain price?
  - a. Cost to purchase asset at the end of lease
  - b. Estimated asset value at the end of the lease

*Would a reasonable person consider the purchase price to be a bargain that would almost ensure that the option to purchase is exercised? If "Yes", the lease is a capital lease.*

Steps 3 and 4 do not apply if the asset is in the last 25% of its useful life

Total useful life of asset	1.0
Current age of asset	- 0
Remaining useful life	1.0
Percent of useful life remaining	100.0%

In this example, continue with steps 3 and 4.

3. Is the lease term greater than or equal to 75% of the estimated economic life of the leased property?

Estimated useful life (yrs)	1.0
X 75%	75%
= 75% of estimated economic life	0.8
Non-cancelable lease term (yrs)	- 0
Difference	0.8

If the difference is negative, the lease is a capital lease. In this example, continue with step 4.

<sup>38</sup> [www.treas.gov/offices/domestic-finance/debt-management/interest-rate/index.html](http://www.treas.gov/offices/domestic-finance/debt-management/interest-rate/index.html)

4. Does the present value of rental and other minimum lease payments, excluding that portion of the payments representing executory cost, equal or exceed 90% of the fair value of the leased property?

*“Present Value” of lease - This Present Value computation assumes equal annual payments. If this assumption is not correct, preparer is responsible for estimating present value by other means. This is the amount that will be entered into the property system if the lease is determined to be a capital lease.*

Value of leased asset (What is the asset worth today?)	
x 90%	90%
= 90% of value of leased asset (at lease inception)	

If the difference is negative then lease is a capital lease.

#### 2.1.2.4 Conclusion

Will this lease be treated as a capital lease?
Prepared by:
Date:
Comments:

## Appendix 3—DOI Useful Life Table

Classification	Useful Life Range
<p><b>A. Buildings, Structures, Facilities, Improvements, and Renovations</b></p> <p>Examples include:</p> <ul style="list-style-type: none"> <li>– Offices and warehouse buildings (including commercial, government, air traffic control towers and centers)</li> <li>– Residential properties</li> <li>– Electrical Power and Distribution Systems</li> <li>– Plumbing Fixtures and Accessories</li> <li>– Heating, Air Conditioning and Ventilation</li> <li>– Industrial Boilers</li> <li>– Dryers, Dehydrators, and Anhydrators</li> <li>– Architecture and Related Metal Products</li> <li>– Wood Building and Structures</li> <li>– Mobil Homes (permanently affixed to land)</li> <li>– Metal and Prefabricated Buildings/Structures</li> <li>– Masonry Buildings and Structures</li> <li>– Earthen Structures</li> </ul>	<p><b>10 - 40 Years</b></p>
<p><b>B. Capital Improvements, Facility Modifications, Leasehold Improvements</b></p> <p>Examples include:</p> <ul style="list-style-type: none"> <li>– Temporary Buildings and Structures</li> <li>– Leasehold Improvements – Improvements (or expiration of lease, whichever comes first)</li> <li>– Other Structures (e.g., Roads, Sidewalks, Parking Lots)</li> </ul>	<p><b>10 - 15 Years (or expiration of lease, whichever comes first)</b></p>
<p><b>C. Water Projects Subject to User Charges.</b></p>	<p><b>60 - 80*</b></p> <p>*The useful lives of components of Water Projects Subject to User Charges shall be determined in accordance with appropriate statutory, regulatory and contractual terms governing project repayment and would not necessarily coincide with the range stated above. If statutory, regulatory and contractual terms do not reflect a reasonable useful life, consult with your financial management office to determine the appropriate period. The method of estimating the useful life of this type of project and/or its components must be documented and consistently applied within the limits of the statutory and regulatory framework.</p>



# Appendix 4—Director's Memorandum on March 8, 2000

## Tracking Maintenance Expenditures by Category and Individual Projects



United States Department of the Interior  
FISH AND WILDLIFE SERVICE  
Washington, D.C. 20240



In Reply Refer To:  
FWS/RF99-00300

MAR 8 2000

Memorandum

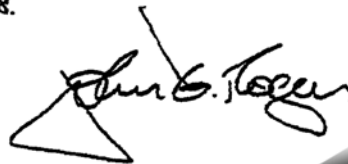
To: Service Directorate

From: ~~Deputy~~ Director

Subject: Tracking Maintenance Expenditures by Category and Individual Projects

The Department of the Interior, through the Office of Inspector General, is recommending that increased controls be implemented to manage maintenance funds. In response to this recommendation, tracking of refuge and hatchery maintenance funding by specific project and funding categories will be implemented in Fiscal Year 2000. Project cost-accounting will be implemented in the Federal Financial System using the process described in the attachment. This will allow each field station using these funds to identify annual maintenance, equipment replacement, and deferred maintenance expenditures and will enable subsequent monitoring and analysis at the field, Regional, and national level.

We realize that we are implementing this in the middle of a fiscal year. We recognize that funds may have already been expended, particularly on annual maintenance activities. Please redistribute any Refuge Maintenance, subactivity 1262, or Hatchery Maintenance, subactivity 1313, allocations and expenditures to the appropriate project numbers. Questions may be directed to Greg Knadle in the Division of Refuges, at 703-358-5515 or Jon Streufert in the Division of Fish Hatcheries, at 703-358-5198.



Attachment

# Appendix 5—Director's Memorandum on September 14, 2000

## Mandatory Use of MMS Project Codes on Obligation Documents

Attachment 3



### United States Department of the Interior

FISH AND WILDLIFE SERVICE  
WASHINGTON, D.C. 20240

9-14-2000

ADDRESS ONLY THE DIRECTOR  
FISH AND WILDLIFE SERVICE

In Reply Refer To:  
FWS/RF00-00193

#### Memorandum

To: **ACTING** Service Directorate  
From: ~~Deputy~~ Director

Subject: Mandatory Use of MMS Project Codes on Obligation Documents

The March 8, 2000 memorandum "Tracking Maintenance Expenditures by Category and Individual Projects," detailed how we will improve tracking of refuge and hatchery maintenance funding. The Service is now using project cost accounting in the Federal Financial System to identify obligations in the annual maintenance, equipment replacement and deferred maintenance categories, to allow analysis of obligations at the field, regional and national level.

To ensure that obligation analysis can be accomplished, it is critical that Refuge Maintenance, sub-activity 1262, and Hatchery Maintenance, sub-activity 1313, obligation documents contain project numbers as outlined in the March 8, 2000 memorandum.

Beginning in FY 2001, the Federal Financial System will be modified to require that all documents obligating 1262 and 1313 contain a proper project code. Documents lacking a proper project number will be returned to the originating office. This restriction is being implemented to ensure that the Service can meet requirements of the Department of the Interior and the Office of Inspector General.

Questions may be directed to Martin Brockman in the Division of Refuges at 703-358-2385 or Jon Streufert in the Division of Fish Hatcheries at 703-358-2454.

Attachment

# Appendix 6—Construction Work-in-Progress Narrative

Process:	Real Property
Sub-Process:	Construction Work-in-Progress (CWIP)
Purpose:	To document the Real Property CWIP financial recording and reporting process
Scope:	FWS OMB Circular A-123 Appendix A, Internal Controls Review for the period October 1, 2007 through June 30, 2008.
Key Process Stakeholders, Stakeholder Title:	Tom Angus, Division of Financial Management Kay Robinson, Division of Financial Management Doran Woolf, Division of Financial Management Kathy Bishop, Region 6 Budget and Finance Office Sarah Burri, Region 1 Budget and Finance Office
Relevant Laws, Regulations, Policies, or Procedures (Control Reference)	
Process Overview:	The CWIP general ledger account is a Federal Financial System (FFS) balance sheet holding account that captures costs incurred during the design and construction of buildings and structures (i.e., Real Property). The Service requires that capitalization rules are applied (i.e., all real property assets above \$100,000 are capitalized) and a financial review is performed of real property assets meeting or exceeding the \$75,000 threshold.

WBS	Sub-Process: Construction Work-in-Progress	Regional Differences (Region # - Description of Difference)
1.1	CWIP Recording and Reporting	
1.1.1	Regional Office Responsibilities	
1.1.1.1	<u>Request new FFS project number</u> - Regional Office staff request FFS project numbers from the Division of Financial Management - Denver Office (DFM-DO) on an as needed basis for all new projects.	
1.1.1.2	<u>Enter new property asset number and project description into the Real Property Inventory (RPI) database</u> - Regional Program Office staff originate new property asset numbers for new construction projects and enter project descriptions into the RPI database Financial Page after an FFS project code has been assigned. If the project is an improvement to an existing asset, a subasset number is created in the RPI database. Construction year and U.S. General Services Administration (GSA) / U.S. Department of the Interior (DOI) asset type are also manually entered by the Regional Program Office staff at this time.  Projects that meet the Service's capitalization rules and the capitalization threshold of (\$100,000) and/or the projected asset cost is \$75,000 or greater are noted as such in the RPI database. The Budget and Finance Office (BFO) populates the 'capitalize exclude' field on the RPI database Financial Page by selecting 'Construction Work in Progress' from the drop-down menu.	Region 6 - A new RPI database record is not created until ground is broken from new construction.

WBS	Sub-Process: Construction Work-in-Progress	Regional Differences (Region # - Description of Difference)
1.1.1.3	<p><u>Add real property assets to the Regional Capitalized Project List (CPL)</u> - The Regional CPL includes all anticipated and/or active real property projects that will be capitalized. Assets are included when the project meets or exceeds the Service's capitalization threshold of \$100,000 or the projected asset acquisition cost is \$75,000 or greater.</p> <p>Projects that have not been accepted or placed in service are carried over from the previous fiscal year's Regional CPL to the current fiscal year's Regional CPL as necessary.</p> <p>The Budget and Finance Office staff update the Regional CPL as new projects are initiated and as current ones are completed. The Division of Financial Management - Washington Office (DFM-WO) serves as the Budget and Finance Office in Region 9 (R9) by completing the R9 CPL. For projects managed by the Division of Engineering (DEN) which result in newly constructed capitalized assets, the DEN notifies DFM-WO to confirm their inclusion on the R9 CPL.</p> <p>The Regional Engineering Office (REN) prepares the information to be included on the Regional CPL for Construction Appropriation. The Budget and Finance Office staff are responsible for the preparation of the information to be included on the Regional CPL for non-Construction funded projects (i.e., projects originating from deferred maintenance).</p> <p>In addition to updating the Regional CPL, the Budget and Finance Office staff also prepares a Regional New Projects List monthly. (Refer to Sub-process: Regional New Projects List Narrative.)</p>	
1.1.1.4	<p><u>Submit Regional CPLs to DFM-WO</u> - The Budget and Finance Office staff submit the Regional CPLs to DFM-WO quarterly for the first three quarters and monthly for the fourth quarter by the tenth calendar day after the start of the period. Regional CPLs are submitted on or before the following dates:</p> <ul style="list-style-type: none"> <li>• December 10</li> <li>• March 10</li> <li>• June 10</li> <li>• July 10</li> <li>• August 10</li> <li>• September 10</li> </ul> <p>The BFOs ensure that all projects added after the previous submission date are included on the Regional CPL.</p>	
1.1.2	Division of Financial Management Responsibilities	
1.1.2.1	<u>Assign new FFS project codes</u> - DFM-DO assigns new FFS project codes following Regional Program Office requests.	
1.1.2.2	<u>Identify projects to be added to the 1720 CWIP Report</u> - DFM-WO receives the Regional CPLs quarterly for the first three quarters and monthly for the fourth quarter from Regional Budget and Finance Offices.	
1.1.2.3	<u>Consolidate Regional CPLs</u> - DFM-WO reviews the Regional CPL and identifies new projects to be added to the 1720 CWIP Report.	
1.1.2.4	<u>Update project status in FFS</u> - DFM-DO uses the projects identified by DFM-WO to update the status of projects in FFS. The new projects will then appear on the 1720 CWIP Report if and only if charges begin to be realized.	

WBS	Sub-Process: Construction Work-in-Progress	Regional Differences (Region # - Description of Difference)
1.1.2.5	<p><u>Distribute 1720 CWIP Report to BFOs</u> - DFM-DO generates and distributes a 1720 CWIP Report (FWS33504) to the BFOs quarterly for the first three quarters and monthly for the fourth quarter on the first business day of each period. The distribution schedule is as follows:</p> <ul style="list-style-type: none"> <li>• December 1</li> <li>• March 1</li> <li>• June 1</li> <li>• July 1</li> <li>• August 1</li> <li>• September 1</li> </ul>	
<b>1.2 Transferring CWIP Costs</b>		
1.2.1	Regional Office Responsibilities	
1.2.1.1	<p><u>Notify the BFO that the asset is accepted or placed in service</u> - The REN or respective Program Office notifies the BFO that the asset is accepted or placed in service.</p> <p>A certificate of occupancy is issued when an asset is noted as accepted or placed in service status. In the case where a certificate of occupancy is not issued, the Regions use the date where the asset is available for beneficial use.</p>	
1.2.1.2	<p><u>Record acquisition cost in the RPI database</u> - The program staff, the REN, or the BFO gather acquisition cost documentation for review and reconciliation with the CWIP general ledger account balance.</p> <p>Once the acquisition documentation is complete and verified, the BFO enters the asset's financial information into the RPI database. The recorded acquisition cost in the RPI database reflects the original acquisition plus improvement costs, as determined by the supporting project cost documentation. The following items are also updated in RPI:</p> <ul style="list-style-type: none"> <li>• The capitalization exclusion entry is cleared from the drop down menu.</li> <li>• The "CWIP" annotation in the property description is deleted.</li> <li>• The BFO or the FMC records the acquisition cost and changes the project status in the RPI database Financial Page within 10 business days of the project acceptance or placed in service date.</li> </ul>	
1.2.1.3	<p><u>Adjust recorded acquisition cost for residual costs</u> - In order to avoid continual acquisition updates to the RPI database and the Regional CPL, recording residual acquisition costs may be delayed up to 10% of the recorded acquisition costs in the RPI database; not to exceed \$20,000. When the residual cost threshold is reached, the BFOs update the RPI database and indicate the adjustment on the Regional CPL. All residual costs, regardless of amount, are analyzed, updated and recorded by the BFOs during September in accordance with the "end of fiscal year" calendar.</p> <p>Regions continue to report assets that are accepted or placed in service on the Regional CPL for the remainder of the fiscal year where they will be classified as completed. This activity ensures that all costs associated with an asset are captured on the 1720 CWIP Report.</p>	
1.2.2	Division of Financial Management (DFM) Responsibilities	

WBS	Sub-Process: Construction Work-in-Progress	Regional Differences (Region # - Description of Difference)
1.2.2.1	<u>Compare CWIP general ledger account and the RPI database</u> - Projects that have been accepted or placed in service are denoted as such on the Regional CPL. Following the project status change, DFM-WO calculates the variance between the acquisition costs entered in the RPI database and the accumulated costs recorded in the CWIP general ledger account. Significant variances are investigated with the Regional Offices by DFM-WO to determine the cause of the difference. DFM-WO notifies DFM-DO of the projects to be capitalized and any discrepancies between the RPI database and Service financial records in FFS. DFM-DO verifies the variance amount and confirms the value with DFM-WO.	
1.2.2.2	<u>Transfer accumulated costs</u> - After the cost is reconciled, DFM-DO capitalizes the accumulated costs by moving them from the 1720 Standard General Ledger account to the appropriate capitalized real property standard general ledger accounts.	

WBS	Sub-Process: Regional New Projects to be Capitalized List
Background	Frequent communication between the Regional Offices and the DFM is required to provide accurate financial reporting of projects to be capitalized. The Regional new projects to be capitalized list is supplemental to the Regional CPL and should be viewed as an additional validation mechanism.
2.1	<u>Regional New Projects to be Capitalized Reporting</u>
2.1.1	<u>Request Regional new projects to be capitalized</u> - DFM-WO requests a list of all new project numbers from the BFOs on the first business day of every month.
2.1.2	<u>Submit Regional new projects to be capitalized</u> - The Budget and Finance Office staff have five (5) business days from the request to submit Regional new projects to be capitalized to DFM-WO. The list includes all new projects initiated during the previous month that meet the Service's capitalization rules and the capitalization threshold of \$100,000 and/or the projected asset cost is \$75,000 or greater.
2.1.3	<u>Consolidate and distribute the Regional lists</u> - DFM-WO consolidates the Regional lists and sends the Service-wide list to DFM-DO.
2.2	<u>New Projects to be Capitalized List Verification</u>
2.2.1	<u>Verify that new projects will be included in the 1720 CWIP Report</u> DFM-DO uses the new projects to be capitalized list to update FFS. This activity ensures that all new projects are appropriately marked for inclusion in the 1720 CWIP Report.
2.2.2	<u>Verify new project status</u> - The Budget and Finance Office staff validates that all new projects to be capitalized have been included on the consolidated list.

# Appendix 7—Director's Memorandum on September 17, 2004

## Plant, Property and Equipment (PP&E) Document Retention



United States Department of the Interior

FISH AND WILDLIFE SERVICE  
Washington, D.C. 20240

In Reply Refer To:  
FWS/DEN

SEP 17 2004

Memorandum

To: Regional Directors, Regions 1 - 7  
Attn: Assistant Regional Directors -- Budget and Administration  
Assistant Director -- External Affairs (NCTC)

From: Director *Steve Williams*

Subject: Plant, Property and Equipment (PP&E) Document Retention

The purpose of this memorandum is to establish a consistent method for electronic archiving of PP&E financial documents.

The *Plant, Property and Equipment Financial Management Guidance Handbook, Version 1.0* specifies the requirements for documentation of various real property acquisition scenarios (e.g., constructed, transferred, donated, etc.). With that guidance in place, we now need to identify the **specific electronic system requirements** for capturing and archiving PP&E documents.

The PP&E Team, with the assistance of a CPA firm, studied six possible solutions to our long-term PP&E financial document management needs. Of the six solutions, two were "recommended." Of the two recommended systems, the IXOS solution will best satisfy the long-term needs of the Service since it has been identified as an integral part of FBMS (see attachment). However, IXOS is costly and requires software customization and considerable training. Relative to these concerns, we will look to IXOS as the ultimate solution, but as an interim step, utilize the document retention system now used by Region 4. The Service will use the Region 4 system until FBMS designs are to the point where functionality and configuration are firmly established. At that point, the migration of PP&E electronic documents to FBMS/IXOS will be turned over to IT system and data management specialists to be handled Servicewide.

The Region 4 system uses MS Windows File Management tools, Windows Explorer and Adobe Acrobat. There is no document management software to purchase or install. It requires little technical training compared to other options. The only equipment needed is a \$1000 scanner in each Region. Documents associated with a real property asset will be identified using the SAMMS asset number allowing immediate reference and retrieval while facilitating the eventual data transfer to FBMS/IXOS.

The Regional Budget and Finance Officers, KPMG auditors and the PP&E Team, have evaluated the MS Windows File Management System. Nearly all of the individuals in these three groups support this as a logical phased approach, especially considering the unknowns associated with FBMS.

Members of the PP&E Team will provide implementation details and instructions. The Region 4 system will be used for all new RPI additions and deletions starting October 1, 2004. However, Regions may choose to use this system to archive documents associated with prior year records as well. To facilitate this consistent approach, the Assistant Director – Business Management and Operations will provide the specifications and funding for the scanners.

Thank you for your continuing efforts to improve the way the Service manages PP&E financial data and to help ensure we fully resolve the Service's only financial statement material weakness. Please contact Paul Camp, PP&E Team Chairman at 303-984-6861 if you have any questions.

Attachment



# Appendix 8—Discounting Matrix

## 8.1 Use of CCI for Discounting and Appreciating Acquisition Costs in the Real Property Inventory Database

BFOs are often faced with a situation when acquisition cost is unknown and indirect means are used to ascertain an acquisition cost. Such situations are common for the following acquisition types:

- Transfers from Federal entity with land
- Transfers from another Federal entity without land
- Donated with land
- Donated without land
- Exchanges
- Withdrawals

There are two primary methods of determining an acquisition cost in these situations:

- Index a similar asset
- Discount a current construction estimate to the acquisition year

### 8.1.1 Index Similar Assets

The assets need not be the exact size and may be proportioned to match the unknown asset. The following steps should be employed when indexing a similar asset:

1. Determine the acquisition cost and acquisition date of a similar asset
2. Divide the known asset by the average annual cost index to determine the unit cost factor
3. Multiply the unit cost by the acquisition year average annual cost index

Refer to the example below for further instruction:

#### Example 1

A known asset constructed in the year 2000 costs \$200,000 and a similar unknown asset was constructed in the year 1978. The year 2000 unit cost would be \$32.15 ( $\$200,000/6221$ ). That unit cost should be multiplied by the year 1978 average cost factor of 2776 for an acquisition cost of \$89,248.

Likewise, the same technique can be used for appreciating an asset from an earlier year to a more current year.

Refer to the example below for further instruction:

#### Example 2

A known asset was constructed in 1990 for \$200,000, and the unknown asset was constructed in year 2005. The 1990 unit cost factor would be \$42.27 ( $\$200,000/4732$ ). The unit cost should be multiplied by the 2005 unit cost factor of 7446 for an acquisition cost of \$314,742.

### 8.1.2 Discount a Current Construction Estimate to the Acquisition Year

The following steps should be employed when discounting a current construction estimate to the acquisition year.

1. Request a FWS Acquisition and Replacement Cost Estimate Worksheet ([Appendix 9](#)) from the REN. This estimate is accomplished by using Engineering News Record (ENR) Indices software ([Appendix 8](#)).
2. Discount that estimate to the acquisition year using the CCI index.

#### Example

An estimate provided from REN is \$128,054 (the current year is 2006) and the unknown asset was constructed in year 1984. The BFO should divide \$128,054 by 1.85456 for an acquisition cost estimate of \$69,048.

The CCI index is updated annually and can be obtained from Regional Engineer Offices who hold a subscription to Engineering News Record (ENR) magazine which is published by McGraw-Hill.

**Example CCI Index 2006**

Year	Average Annual Cost Index	CCI Factor
1908	97	79.26804
1909	91	84.49451
1910	96	80.09375
1911	93	82.67742
1912	91	84.49451
1913	100	76.89000
1914	89	86.39326
1915	93	82.67742
1916	130	59.14615
1917	181	42.48066
1918	189	40.68254
1919	198	38.83333
1920	251	30.63347
1921	202	38.06436
1922	174	44.18966
1923	214	35.92991
1924	215	35.76279
1925	207	37.14493
1926	208	36.96635
1927	206	37.32524
1928	207	37.14493
1929	207	37.14493
1930	203	37.87685
1931	181	42.48066
1932	157	48.97452
1933	170	45.22941
1934	198	38.83333
1935	196	39.22959
1936	206	37.32524
1937	235	32.71915
1938	236	32.58051
1939	236	32.58051
1940	242	31.77273
1941	258	29.80233
1942	276	27.85870
1943	290	26.51379
1944	299	25.71572
1945	308	24.96429
1946	346	22.22254
1947	413	18.61743
1948	461	16.67896
1949	477	16.11950
1950	510	15.07647
1951	543	14.16022
1952	569	13.51318
1953	600	12.81500
1954	628	12.24363
1955	660	11.65000
1956	692	11.11127
1957	724	10.62017

Year	Average Annual Cost Index	CCI Factor
1958	759	10.13043
1959	797	9.64743
1960	824	9.33131
1961	847	9.07792
1962	872	8.81766
1963	901	8.53385
1964	936	8.21474
1965	971	7.91864
1966	1019	7.54563
1967	1074	7.15922
1968	1155	6.65714
1969	1269	6.05910
1970	1381	5.56770
1971	1581	4.86338
1972	1753	4.38620
1973	1895	4.05752
1974	2020	3.80644
1975	2212	3.47604
1976	2401	3.20242
1977	2576	2.98486
1978	2776	2.76981
1979	3003	2.56044
1980	3237	2.37535
1981	3535	2.17511
1982	3825	2.01020
1983	4066	1.89105
1984	4146	1.85456
1985	4195	1.83290
1986	4295	1.79022
1987	4406	1.74512
1988	4519	1.70148
1989	4615	1.66609
1990	4732	1.62489
1991	4835	1.59028
1992	4985	1.54243
1993	5210	1.47582
1994	5408	1.42178
1995	5471	1.40541
1996	5620	1.36815
1997	5825	1.32000
1998	5920	1.29882
1999	6060	1.26881
2000	6221	1.23597
2001	6342	1.21239
2002	6538	1.17605
2003	6694	1.14864
2004	7115	1.08067
2005	7446	1.03263
2006	7689	1.00000

# Appendix 9—FWS Acquisition and Replacement Cost Estimate Worksheet

## FWS ACQUISITION AND REPLACEMENT COST ESTIMATE WORKSHEET FOR:

Date: 28-Jun-04

Station Name:  
Asset Description:  
SAMMS No.:

### This cost estimate is based on the following:

\_\_\_\_\_ A calculation involving an inflation adjustment to the recorded cost of the asset.  
(Attach supporting documentation i.e. invoice, purchase order, receiving report.)

\_\_\_\_\_ A calculation involving an inflation adjustment to the acquisition cost of a recently acquired asset with an identical asset type, comparable size, quality and capacity, in the same geographical location.  
(Attach supporting documentation of similar asset i.e. invoice, purchase order, receiving report.)

\_\_\_\_\_ RS Means costs and engineering estimates of materials, supplies and labor required. (See Business Rules below.)  
(Attach cost estimate worksheet.)

### FWS Acquisition and Replacement Cost Estimating Business Rules:

1. Cost estimate calculations shall be based on the value of the asset as it currently functions. For example, if a structure that previously functioned as a residence now functions as an office, the cost estimate shall represent the value of the structure as an office.
2. Appropriate cost location factors must be applied.
3. If overhead and profit are not already included in the square foot costs, they should be broken out as a separate line item cost.
4. If General Conditions (mobilization and demobilization, freight, on-site supervision, field engineering, expediting, site office, staff and consumables, home office, heavy equipment (locally rented), truck(s), tools, scaffolding, ladders, temporary utilities, communications, barriers, protection, signs, material testing, building permits, plan check fees, as-builts, schedules, submittals, regular clean-up, per diem, travel costs, overtime, and Overhead & Profit on all of these) are not already included in the square foot costs, they should be broken out as a separate line item cost.
5. If wage rates in your area vary from those used in RS Means, if rate increases are expected within a given year, or if overtime is expected during the project, labor costs should be adjusted accordingly. Documentation for variance from RS Means standards must be provided.
6. RS Means material prices are for metropolitan areas. Beyond a 20-mile radius of large cities, extra trucking or transportation charges may affect material costs and should be accounted for in the estimate. Documentation for variance from RS Means standards must be provided.
7. The ENR Construction Cost Index (CCI) shall be used so the cost estimate calculation reflects the value of the asset relative to the year of acquisition. The total estimated cost divided by the CCI factor (provided in this file) calculates the estimated value for the acquisition year.
8. A 17% engineering support cost must be added to cover all planning, design and construction management by in house staff and/or contracted A/E services. The 17% criteria is based on data collected from the Regions on actual costs for engineering support of deferred maintenance projects during the 5-year period 1996-2000. In addition to adding the 17% engineering support cost to the cost estimating worksheet, the engineering support costs must also be included as part of the cost of an asset that has actual supporting documentation (invoices, purchase orders, appraisals etc.).

### COST REASONABLENESS CERTIFICATION

*"I have reviewed the cost estimate data provided and have determined the costs proposed reasonably reflect the value of the asset at the time of acquisition."*

\_\_\_\_\_  
Regional Engineer Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Regional Engineer (Written Name)

CostEstimateStandard\_PPE\_062504.xls

Cover Sheet  
FWS Form 3-2296  
07/04

<b>Station Name:</b>								
<b>Orgcode:</b>								
<b>SAMMS No.:</b>	<b>Description:</b>					<b>County:</b>	<b>State:</b>	
<b>Construction Year</b>	<b>Acquisition Date:</b>	<b>Acquisition Type:</b>			<b>Estimated Replacement Value:</b>			
							\$0.00	
<b>Start Point:</b>	<b>Latitude:</b>	<b>Longitude:</b>	<b>Tract No(s):</b>	<b>End Point:</b>	<b>Latitude:</b>	<b>Longitude:</b>	<b>Tract No(s):</b>	
<b>Measurements:</b>		<b>Fac. Code:</b>	<b>Type:</b>					
<b>Narrative:</b> (Description of asset)				<b>Photo:</b> (Optional)				
<b>Cost Estimate:</b>								
<b>Description</b>					<b>Quantity</b>	<b>Unit</b>	<b>Unit Cost</b>	<b>Total</b>
General Conditions (Recommend 10%)								
<b>Location Cost Factor (RS Means)</b>								
<b>Prepared By:</b>		<b>Date:</b>		<b>Total Costs</b>				
				<b>Engineering Support (17%):</b>				
				Construction Cost Index (Use ENR CCI factor for year acquired):				
				<b>Estimated Value at Acquisition in:</b> [Year Acquired]				
Cost data obtained from RS Means Cost Data [Insert Year and Type of RS Means Cost Data used for cost estimate.]								

**COST WORKSHEET  
Calculation**

# Appendix 10—Lease Financial Reporting Memo Templates

Capitalized Improvements to Leased Property	
GSA or other lease document control number:	-----
Capitalized Acquisition Amount	\$
Acquisition Date:	
Expected Useful Life (years)	
Description of Capitalized Improvements	
Documentation Attached: OTR, GSA RWA order	
Submitted by:	_____ BFO Signature and Date

Capitalized Leases	
GSA or other lease document control number:	-----
Capitalized Acquisition Amount (this period)	\$
Period Acquisition Date:	
Full Lease Period (Expected Useful Life)	
Description of Capitalized Lease Property	
Documentation Attached: OTR, GSA (submission required when each disbursement is made)	
Submitted by:	_____ BFO Signature and Date

# Appendix 11—Director's Memorandum on February 20, 2001

## FY 2001 Engineering Support of Maintenance Projects



United States Department of the Interior

FISH AND WILDLIFE SERVICE  
Washington, D.C. 20240

In Reply Refer To:  
FWS/DEN

FEB 20 2001

Memorandum

To: Regional Directors, Regions 1 - 7  
From: **ACTING** Director *Marshall Wright*  
Subject: FY 2001 Engineering Support of Maintenance Projects

Since 1995, the Division of Engineering has been responsible for determining the historical cost of engineering support for maintenance projects. Maintenance support costs for the past 3 years are shown in Attachment 1. The 3-year averages provide a tool to assist in establishing engineering support costs for the current fiscal year. As the starting point in calculating your Region's FY 2001 engineering support for Refuge and Hatchery maintenance projects, multiply your MMS funding level for those projects requiring support by 17.0 percent. If the Engineering/Program review of individual projects referred to below differs significantly from this historical average, the engineering support level should then be adjusted in accordance with the negotiated cost.

Please pay particular attention to the guidance in Attachment 2. Regional engineering costs for specific projects may vary from the historical cost described above depending upon project complexity, need for consultants, special studies, etc. Regions should identify and prioritize those projects requiring Regional engineering support; review project scopes and estimates for accuracy; and agree on required engineering costs on a project-by-project basis. Close coordination between Refuge/Hatchery Programs and Engineering is required to complete this task. Once project lists and support funding are determined, all required maintenance management funds should be allocated to your Regional Engineering Office as soon as possible.

In response to Departmental and OIG requirements, the Deputy Director's September 14, 2000, memorandum (see Attachment 3) specifies procedures for improved tracking of refuge and hatchery deferred maintenance funding. In FY 2001, expenditures for deferred maintenance projects of \$50,000 or greater must be individually tracked by unique project numbers as specified in the September 14, 2000, memorandum.

If you have any questions on this information, please contact Frank Cockrell or Marshall Wright, Branch of Engineering Services, (703) 358-1719.

Attachments

# Appendix 12—Financial Reporting for Natural Disasters

## 12.1 Introduction

The financial impact of hurricanes, tornadoes, floods and other types of natural disasters on Department operations must be disclosed in the financial reports in accordance with Federal accounting standards. Accordingly, the costs associated with cleaning up after a natural disaster, including the costs of repairing or replacing Department property need to be appropriately reflected in the financial statements. Following is guidance on the information needed to properly account for the impact of natural disasters.

After a natural disaster occurrence which impacts Department-owned and-managed sites, an assessment must be performed to determine the extent of damage to real property and personal property and to determine the actions required to return DOI assets and facilities to an acceptable operating condition. Likewise, the costs associated with clearing roads, removing debris and other maintenance activities resulting from the natural disaster should be charged to the period in which the event occurred.

Statement of Federal Financial Accounting Standards No. #5, “Accounting for Liabilities of the Federal Government,” states:

Government-related events resulting in a liability should be recognized in the period the event occurs if the future outflow or other sacrifice of resources is probable and the liability can be measured, or as soon thereafter as it becomes probable and measurable. (Paragraph 29)

In other words, costs associated with a natural disaster are considered expenses in the accounting period when underlying event occurred, to the extent that these costs can be reasonably measured.

## 12.2 Cost Classification and Estimations

### 12.2.1 Cost Classification

The following sections discuss the accounting treatment for clean-up costs, and for the repair and replacement of physical assets. The distinctions are intended to provide clarity on the financial implications of a range of activities. It should be noted that while some costs are clearly clean-up costs (e.g. debris removal) and some costs are clearly asset repair (e.g. replacement of a roof), certain costs could be argued as either a “clean-up” cost or an “asset repair” cost. Since the ultimate accounting treatment of these two activities is nearly identical, financial personnel should ensure that costs are identified without double counting, regardless of the label assigned.

### 12.2.2 Use of Estimates

Financial reporting standards require disclosure of contingencies when those contingencies are “reasonably estimable.” Uncertainty is inherent following any natural disaster and the recognized amounts of clean-up costs and asset impairment will be based on estimates.

Financial personnel are expected to consider the types of information available related to different locations and situations when developing these estimates. For example, estimates may be based on a “desk review” of property records by regional or national personnel considering the types of damage in various regions, reviews of aerial surveys, and/or other high-level estimation techniques. However, it must be acknowledged that full estimates of damage sustained as a result of natural disasters are dependent on the availability and priorities of trained personnel. Accordingly, precise estimates may not be available until some months after the event.

### 12.2.3 Documentation

Bureaus should document the estimation methodology or methodologies applied, and should retain documentation supporting the estimates. For example, the support for a desk review of property at a location would include the name of the reviewer, a physical or electronic copy of the property records reviewed with notations of the conclusions applied the assets.



## 12.2.4 Accounting Period

The recognition of transactions discussed below related to natural disasters should be posted at least quarterly. Bureaus may elect to post entries monthly if desired.

## 12.2.5 Services Performed by DOI Employees

Costs associated with clean up and repair activities that may be performed by DOI employees should be treated in the same manner as other costs. The fact that these salaries will be paid regardless of clean-up or a repair effort does not change the fact that the services being performed relate to the natural disaster. These costs should be matched to the costs of the natural disaster rather than to program activities in the current period.

## 12.2.6 Completion Period for Repairs and Clean Up Costs

In general, a liability should be recognized only for repairs and clean-up costs to be completed within a reasonable period of time following the event. Any remaining liability should be written off at the end of the designated period. This period would normally be 12 months after the occurrence of the underlying event, with the following exceptions:

- Liabilities for repair or clean up should not be written off if funds have been obligated or work has begun.
- If based on past experience or current events, the bureau believes that a different completion period (between 12 and 36 months) is applicable to the bureau, that period should be applied.
- Liabilities remaining in the records for repair and clean-up activities related to facilities damaged by a subsequent natural disaster should be reversed and replaced as appropriate with the liability associated with the more recent event.

## 12.2.7 Clean-up Costs Associated with DOI Facilities

### 12.2.7.1 Initial Recognition

As a result of a natural disaster, it is necessary to assess DOI owned and managed facilities and to return those facilities to an acceptable operating condition. A liability should be accrued at the end of an accounting period for clean-up costs expected to be incurred in future periods. It is expected that future clean-up activities would be completed within 12 months of the event (see Section 11.2.6 above regarding estimated completion period.).

These clean-up costs would include expected future costs related to contract services, equipment rentals, materials, and other expenses expected to be incurred after the end of that accounting period, as well as cost estimates for work to be performed by Department personnel. Costs associated with repair and replacement of DOI assets would be reflected as an impairment of an asset, discussed below.

### **12.2.7.2 Periodic Drawdown and/or Close out of the Liability**

Activities performed related to the cleanup of previous natural disasters will usually be accounted for in the normal course of business, with a debit to the appropriate expense account. The balance of an existing liability for clean-up costs associated with previous natural disasters should be reviewed on a periodic basis. The liability should be reduced to reflect changes in the estimated liability, including the reduction resulting from any work done during the period, by debiting the liability account and crediting expense. This will ensure that, on a net basis, expenses are properly stated during the period. Any liability remaining on the books 12 months after the event must be reduced to \$0 (see Section 11.2.6 above regarding estimated completion period).

### **12.2.7.3 Clean-up Activities and Other Services not Related to DOI Facilities**

The Department is likely to perform a number of services in response to a natural disaster. These activities may include performing search and rescue operations, assisting in the clean-up of non-DOI locations and facilities, and many other services. These activities are considered to be in response to “government-acknowledged” needs. The costs incurred associated with activities that have been performed will be recognized as the transactions occur, along with any applicable accounts payable. However, no contingent liability will be recognized in DOI accounting records related to an expectation or agreement to continue to perform these services after the end of the accounting period.

## **12.2.8 Damage to DOI Capitalized Property, Plant and Equipment**

### **12.2.8.1 Assets in Need of Repair**

If the estimated costs to repair an asset are less than the related capitalization threshold, then the asset would not normally be treated as an impaired asset. These repair costs are considered expenses in the fiscal year the event occurred. As with cleanup costs, a liability should be accrued for estimated repair costs expected to be incurred after the end of the reporting period. However, a liability should not be accrued for repair costs that are expected to be deferred for more than one year after the damage was sustained. If the repairs are not expected to be completed within the 12 months following the event, then determination should be made as to whether the asset should be written down or written off as “impaired” or “destroyed”.

As with the liability for clean-up costs, the liability for asset repairs must be reduced on a periodic basis as work is performed, and must be reduced to \$0 at the end of 12 months.

(See Section 11.2.6 above regarding estimated completion period.)

### **12.2.8.2 Assets Destroyed**

Capitalized assets that are completely destroyed by a natural disaster should be treated as an asset disposal. The net book value of each destroyed asset should be removed from the accounting records, and a corresponding expense or loss on disposal should be recognized in the accounting period the asset was destroyed. (The asset would be recorded in an appropriate asset account at its expected net realizable value, if any.) The cost of replacing the asset should not be accrued as a liability.

However, any disposal costs related to destroyed assets expected to be incurred within one year of the event should be treated as cleanup costs.

### **12.2.8.3 Impaired Assets**

For each capitalized asset that is significantly and permanently damaged as the result of a natural disaster but still retains some utility, the net book value of the asset should be adjusted downward to reflect the damage, and a corresponding expense or loss recognized in the year the event occurred. Generally, an asset is considered to be impaired if the cost of restoring the asset to its pre-disaster condition is greater than the related capitalization threshold (e.g. \$100,000 for real property and \$15,000 for equipment) and/or if the damage is not expected to be repaired within one year. No liability for expected repair costs should be accrued related to impaired assets.

If the expected cost to restore the asset is greater than \$50,000 and less than the capitalization threshold, but that repair is not expected to occur within 12 months of the event, then the asset would normally be considered to be impaired. As with other impaired assets, no liability for expected repair costs would be

accrued. Impairments of less than \$50,000 are not considered significant and do not require any reduction in the carrying value of the asset (see Section 11.2.6 above regarding estimated completion period).

The Governmental Accounting Standards Board Standard #42 discusses various approaches to estimating impairments of capital assets. The Restoration Cost Approach is recommended for impairments resulting from physical damage. This guidance is not authoritative to the Federal environment, but provides some guidance. Other methods of estimating asset impairments may be used.

GASB #42, Paragraph 12a: "Under this approach, the amount of impairment is derived from the estimated cost to restore the utility of the capital asset. The estimated restoration cost can be converted to historical cost either by restating the estimated restoration cost using an appropriate cost index or by applying a ratio of estimated restoration cost over estimated replacement cost to the carrying value of the asset."

#### **12.2.8.4 Leased Assets**

Depending on the type of assets, the legal owner of assets under lease may absorb the risk of loss. Capital lease arrangements generally do not change the legal ownership of the underlying asset. If the Department is responsible for restoring or replacing assets under capital or operating leases, these costs would be recognized as part of estimated clean-up or repair costs. If applicable, the balance of capital lease assets recognized in the financial records should be reduced to reflect assets no longer available to the Department, in accordance with generally accepted accounting principles.

### **12.2.9 Damage to Stewardship Property, Plant and Equipment**

#### **12.2.9.1 Assets Destroyed**

Stewardship property, plant and equipment (PP&E) is not recognized in the financial records. As a result, there is no general ledger or financial statement impact when Stewardship PP&E is destroyed. However, this does not indicate that the destruction of these assets is not a significant event. The loss of one or more Stewardship assets must be reported as "disposals of Stewardship PP&E" in Required Supplemental Stewardship Information (RSSI), or once SFFAS 29 is adopted, in the appropriate Note to the Financial Statements. This disclosure must be accompanied by a discussion in the text communicating the nature of the Stewardship assets destroyed. Any disposal costs related to destroyed assets expected to be incurred within one year of the event should be treated as cleanup costs (see Section 11.2.6 above regarding estimated completion period).

#### **12.2.9.2 Assets Damaged but not Destroyed**

Repair costs are considered expenses in the accounting period when the event occurred. A liability should be accrued for estimated repair costs expected to be incurred within the 12 months following the natural disaster. If the repairs are not expected to be completed within the 12 months following the event, then determination should be made as to whether the asset should be reported as a disposal in Stewardship reporting. In addition, the need for information in the text portion of RSSI regarding impairments to Stewardship assets must be considered. As with the liability for clean-up costs, the liability for asset repairs must be reduced on a periodic basis as work is performed, and must be reduced to \$0 at the end of 12 months (see Section 11.2.6 above regarding estimated completion period).

### **12.2.10 Financial Reporting**

#### **12.2.10.1 Statement of Net Cost Presentation**

The costs associated with a natural disaster may include:

- Destruction and impairments of assets
- Clean-up and repair of Department facilities
- Additional activities related to the Department's mission, for example protection of wildlife habitat impacted by the event
- Activities unrelated to the Department's mission, for example, providing shelter and food to evacuees

The costs of major clean-up and repair of DOI facilities and the costs to write down material amounts of impaired and destroyed assets should be presented on a stand-alone line on the Statement of Net Cost, in the same manner as the costs reported in FY 2003 related to the impairment of the USGS satellite.

For proper consolidation of the Statement of Net Costs, all bureaus must report the costs of asset impairments and clean-up costs in the same manner. For discussion and for preliminary analysis, DOI will report asset impairments and clean-up costs as “Non-Program Costs” if the amount of those costs exceeds 2.5 percent of Total Costs Department-wide or at any individual bureau. Based on FY2004 balances, these costs would be presented as “Non-Program Costs” by all bureaus if they exceed \$445 million for DOI in total OR if they exceed approximately \$55 million at FWS, \$75 million at NPS or MMS, or \$80 million at BIA.

Costs incurred directly related to a bureau’s core mission should be reported in the appropriate GPRA Segment. The presentation of costs associated with activities not normally part of the Department’s mission should be presented under the Serving Communities GPRA segment.

#### **12.2.10.2 Balance Sheet**

The following items and transactions would be reflected on the Balance Sheet, if applicable:

- Accounts Receivable from FEMA for reimbursements due for work performed pursuant to a Mission Assignment or subtask under the National Response Plan
- Reduction of Property, Plant and Equipment and associated Accumulated Depreciation for assets impaired or destroyed<sup>39</sup>.
- Increased liabilities for clean-up costs and asset repair, as discussed above.

#### **12.2.10.3 Management’s Discussion and Analysis**

Federal financial reporting standards require that the “future impact of current situations or events” be addressed in management’s discussion and analysis (MD&A). Bureaus whose assets and/or operations were materially impacted by a natural disaster must address the expected future impact of that event in MD&A.

In addition, the financial impact of the event should be discussed in the Financial Statement Analysis section of MD&A.

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<sup>39</sup> Estimated amounts of assets impaired and destroyed not identified to individual assets may be reflected by use of a contra-account, with appropriate footnote disclosure.

#### **12.2.10.4 Stewardship Reporting**

The purpose of Stewardship reporting is to communicate to the reader of financial reports activities related to stewardship assets that cannot be measured in financial terms. The destruction of stewardship assets as a result of a natural disaster is critical information that must be reported, regardless of the number of assets destroyed, or the number of remaining stewardship assets. The reduction in the number of stewardship assets must be presented along with an appropriate explanation. In addition, significant damage to stewardship assets should also be discussed in the stewardship section. Disclosures may include a discussion of assets which cannot be repaired, estimated costs of repair and restoration, and the expected time period over which repairs will occur.

#### **12.2.10.5 Deferred Maintenance Estimates**

Amounts recognized as the destruction or impairment of an asset, or as a liability for clean-up or repair related to a natural disaster would not normally be included in deferred maintenance estimates. However, certain costs associated with a natural disaster may be excluded from clean-up and repair liability recognition due to an expectation that activity would not occur within 12 months of the event. In these cases, preparers of deferred maintenance estimates should consider whether these deferred repair activities will impact overall deferred maintenance estimates.

### **12.2.11 Bureau Finance Office Responsibilities**

#### **12.2.11.1 Bureau Financial Point of Contact**

Each bureau must designate a financial point of contact (FPOC) for matters related to accounting for natural disasters. The Bureau FPOCs will meet periodically via conference call on a schedule to be announced. The schedule of meetings will consider the need for ongoing training and preparedness as well as more critical communication needs immediately after an event.

#### **12.2.11.2 Project Codes and Cost Tracking**

Financial managers must recognize the need to track costs for a number of purposes. Following a major natural disaster, the focus of first responders will rightly be on those tasks necessary to protect lives and property. It is the responsibility of the finance operation to seek out information about the types of services provided by the bureau to facilitate both financial reporting and potential reimbursement.

Cost data should be submitted to the Department's Office of Financial Management (PFM) on a periodic basis, in accordance with guidance and formats distributed by PFM.

#### **12.2.11.3 National Response Plan Billings and Receivables**

Bureaus are responsible for maintenance of records related to costs incurred in response to natural disasters, including those that may be billable under the National Response Plan. The process for cost recovery is documented in the Financial Management Standard Operating Procedures for National Response Plan Activities.

#### **12.2.11.4 Supplemental Appropriations**

Supplemental appropriations are recognized in accordance with existing posting models and procedures. No special recognition is necessary for expected or actual supplemental appropriations resulting from natural disasters.

The amount of Supplemental funding requested will be determined by management considering bureau mission responsibilities, non-reimbursed costs associated with National Response Plan activities, the replacement cost of assets and other factors. The amount of supplemental funding requested and received is likely to differ from the financial impacts reported on the Balance Sheet and Statement of Net Cost. For example, the financial statement impact of impaired assets is based on the net depreciated value rather than the replacement cost. However, as with all appropriations, bureaus should ensure that appropriate controls are in place to ensure that supplemental funding is spent in accordance with legal authorities.

#### **12.2.11.5 Internal Controls**

Costs incurred in response to natural disasters will be subject to intense scrutiny. This is especially true when the natural disaster receives extensive coverage in the press, when the amount of Federal dollars devoted to the event are large and well-publicized and/or when normal controls over procurement and spending are relaxed.

#### **12.2.11.6 Use of Project Codes**

The use of one or more project accounting codes to track costs related to a natural disaster in the general ledger accounting system (or another methodology to capture costs, considering the functionality of the accounting system) was discussed above. The ability to identify costs is essential to the review of those costs, thus the use of project codes or other appropriate general ledger identifier is a required internal control procedure.

#### **12.2.11.7 High Risk and Low Risk Transactions**

Bureaus should differentiate between high risk and low risk transactions. Low risk transactions would generally include those that have lower dollar thresholds and/or which follow established procedures, such as employee travel, credit card purchases under normal purchase card thresholds, etc. High risk transactions would generally be those outside the normal operating environment, especially large contracts or purchases.

Bureaus must establish procedures to identify high risk transactions and ensure that those transactions are subject to additional management approvals and review. These procedures may include the following:

- Additional Pre- or Post-payment review requirements, in addition to the procedures applicable to low-risk transactions
- Limitations on personnel authorized to initiate or make payment on high-risk transactions
- Additional reporting to management

#### **12.2.11.8 Review of Activity**

Bureaus should ensure that supporting documentation is maintained for costs incurred in response to natural disasters, and that this documentation is available for review. Bureaus should designate one or more persons responsible for summarizing costs incurred in response to a natural disaster and for the periodic review of these costs. This data should be subject to appropriate management review.

The table below summarized types of costs and the associated accounting treatment:

Type of Cost	Accounting Treatment	Limitations
Cleanup Costs	Estimate costs directly related to cleanup activities, including employee wages, contractors, equipment rentals, materials, and other costs. Accrue a liability for expected costs not incurred as the end of the period.	Do not include costs deferred for more than one year (or completion period determined by the bureau).
Repair Costs	Estimate costs directly related to cleanup activities, including employee wages, contractors, equipment rentals, materials, and other costs. Accrue a liability for expected costs not incurred as the end of the accounting period.	Do not include costs deferred for more than one year (or completion period determined by the bureau). Do not include repair costs exceeding the capitalization threshold of the related assets.
Asset Impairments	Determine the value of the damaged capitalized asset and compare with the asset's net book value (NBV) Reduce the asset's NBV to reflect the new value	Asset impairments will only be recognized if the damage exceeds the capitalization threshold or the repairs are not expected within 12 months (or completion period determined by the bureau). Asset impairments are limited to the NBV of the asset.
Destroyed Assets	If asset is capitalized, remove the asset from Department records and record a loss equal to the asset's NBV. Estimate disposal expenses (treat as cleanup costs). Accrue a liability for expected disposal costs not incurred as of the end of the accounting period.	Do not include disposal costs deferred for more than one year (or completion period determined by the bureau). Do not accrue a liability for the cost of a replacement asset.

# Appendix 13—Financial Reporting for Hurricanes

## 13.1 Prepare and Review Damage Assessments

### 13.1.1 Categorize damage and estimate repair costs

- Use following categories:
  - Clean-up work on Service sites
  - Clean-up work performed for others
  - Destroyed assets
  - Impaired assets
  - Damaged assets in need of repair
- Prepare estimates based on following assessment hierarchy:
  1. Onsite review of damaged assets
  2. Aerial surveys
  3. Desk review of property records
  4. Other high level estimation techniques

### 13.1.2 Identify clean-up work required on service sites

- Estimate clean-up costs
- Document methods for estimating clean-up work

### 13.1.3 Identify clean-up work to be performed for others

- Identify costs incurred and associated accounts payable
- Identify costs to be reimbursed
- Document costs and reimbursements

### 13.1.4 Identify destroyed assets

- Estimate and document disposal costs (if any)
- Document methods used to determine that assets are destroyed

### 13.1.5 Identify damaged assets that qualify as impairments (i.e., capitalized assets not fully depreciated)

- Estimate impairment amount
- Document method used to estimate damage

### 13.1.6 For damage to assets not determined to be destroyed or impaired, identify items that will be scheduled for repairs to begin within one year of the event

- Document method used to estimate damage
- Document method for determining priority of the repair

### 13.1.7 Determine if the hurricane damage includes any environmental cleanup liabilities



## 13.2 Prepare Accounting and Financial Reporting Information

### 13.2.1 Calculate liability for clean-up expenses

- For clean-up of Service sites, record total estimated clean-up costs less costs incurred prior to end of fiscal year
- For clean-up of other than Service sites
  - Record liabilities as appropriate for transactions that have occurred
  - Record reimbursements received or receivable
  - Reconcile calculations with cost tracking performed for DOI

### 13.2.2 Calculate write-off amounts for destroyed capitalized assets

- For each asset, record a loss on disposal equal to the NBV of the asset less any expected salvage value
- Record any associated disposal costs expected to be incurred within one year as clean-up costs

### 13.2.3 Calculate asset impairment amounts for capitalized assets in accordance with DOI guidance

- If impairment is less than capitalization threshold and is scheduled to be repaired within one year, record a liability for the impairment amount
- For each impaired asset with an estimated impairment amount greater than the capitalization threshold or whose repairs are not expected to be initiated within one year, compare estimated impairment amount with NBV and record impairment at lesser of NBV or impairment estimate

### 13.2.4 Calculate liability for repair costs

- For each non-capitalized asset expected to have repairs initiated within one year of the event, record estimated repair costs less any costs incurred prior to the end of the fiscal year

### 13.2.5 Determine appropriate reporting of environmental cleanup costs (i.e., liability or contingent liability)

### 13.2.6 Determine adjustments to be made to deferred maintenance and stewardship asset information presented in the RSI and RSSI sections of the annual Financial Report

# Appendix 14 – Capitalized Project Code Update Form



**United States  
Fish & Wildlife Service**

## Project Code Update Form

Update A/C/D (1)	Fund Code	Subact	Project	FY	Project Description (Max 20 characters)	Location Org	Responsible Org	Roll-Up ID/ Budget ID	ABC Code	Is project Real Property? <sup>(2)</sup> (3)	If "Yes" Select Type	Estimated cost
A	1008	1234	9999	2008	Demo/Example	98352	98000		4F	Yes	New Building or Structure	\$75,000

Requestor: \_\_\_\_\_ Phone #: \_\_\_\_\_  
Name Date

- (1) Update: A=Add; C=Change; D=Delete
- (2) Real Property is new, replacement or rehab/ improvements to buildings or other structures permanently attached to Land
- (3) If "Yes" requestor to send copy of Form to BFO

Entered into FFS on: \_\_\_\_\_ Fax: (303) 969-5745  
 Phone: (303) 984-6805

## Record of Changes as of April 2009

Changes	Page	Section	Description/Nature of Change
1	9	2.3.1 Capitalized Leasehold Improvements	Added section on how to report capitalized leased assets outside RPI
2	13	3.4 Real Property Capitalization Thresholds	Stipulated that no acquisition documentation is required for assets below \$75,000.
3	19	3.8 Real Property Exclusion Policies	Added the descriptor "earthen" to permanent improvements to stewardship land for canals, drainage ditches, and water impoundments
4	20	3.8.5 Heritage Assets	Corrected programmatic terminology. for Heritage Assets.
5	22	3.8.16 Change in Asset Productive Status due to Natural Disasters	Added conditions when leased asset reporting is required
6	30	5.3 Regional Construction and Deferred Maintenance Project List Preparation	Deleted reference to water rights in Example 2
7	37	6.2.4 Regional Budget and Finance Officers	Added new BFO responsibility for identifying FFS costs when project not identified in the CPL but are later capitalized.
8	42	7.3 Documenting Real Property Acquisition Cost	Added FFS PVHT tables to suggested documentation sources
9	43	7.3 Documenting Real Property Acquisition Cost	Stipulated that no acquisition documentation is required for assets below \$75,000.
10	45	7.4.2 Constructed	Added PVHT tables to suggested documentation sources; required a screen shot of Brio queries to illustrate the query criteria
11	45	Footnote 16	Added clarifying language when copies of contract modifications are required; added language regarding use of cumulative versus individual invoices.
12	54	7.4.4 Donated with Land	Added heritage assets
13	56	7.4.8	Added PVHT tables to suggested documentation sources; required a screen shot of Brio queries to illustrate the query criteria
14	57	7.4.9 Purchased with Land	Added heritage assets to this acquisition type
15	58	7.4.11 Transferred from Federal Entity with Land	Added heritage assets to this acquisition type
16	58	7.4.11 Transferred from Federal Entity with Land	Added a constructive method for BFOs to determine a transferred asset is fully depreciated.
17	63	8.1 Chapter Overview, Recording Financial Information in the Real Property Inventory Database	Added commonplace terminology "retired in abeyance" to assets placed in interim non-productive status
18	63	8.25 Property Description	Added the suggestion how property descriptions can be cross-referenced to asset types to verify stewardship classifications.
19	71	9.2.2 Acquisition Cost	Corrected footnote 33; relating to different capitalization levels, from FY 2003 to FY 2004
20	92-105	Appendix I DOI Standard Asset List and Definitions	Updated to current DOI version
21	33	5.4.1 Regional Capitalized Project List Reporting Requirements	Changed list to match order of columns in Exhibit 12
22	11,22,57	2.3.10 3.8.14 7.4.10	Service Owned Assets - added language to differentiate requirements for buildings and structures.
23	38	6.3 Construction Work-in-Progress Reporting Process	Added appendix reference for Project Code Update Form
24	35	5.6.1 Regional Construction-Work-in-Progress Reporting Cycle	Omitted and added language to correct process
25	38	6.3 Construction Work-in-Progress Reporting Process	changed #1 - modified "Project Update Form" to: form title to change to "Capitalized Project Update Form" and remove modified
26	137	Appendix 14	Change form name to "Capitalized Project Update Form"
27	38	6.3.1 Construction Work-in-Process Reporting Cycle #3	Added 'capitalized' to project update form and signature line for BFO
28	37	6.2.5 Division of Financial Management	Omitted language to correct process
29	39	Exhibit 14	arrowed process to match written process
30	39	Exhibit 15	arrowed process to match written process
31	39	6.3.1 Quarterly Construction Work-in-Process Reporting Cycle	omitted and added language to correct process and rearranged process steps
32	113	Appendix 6 CWIP Narrative	<b>Needs to be updated with new narrative when completed</b>
33	36	6.1.1 Chapter Overview	Omitted language to clarify meaning
34	33	5.4.1 Regional capitalized Project List Preparation	Language needs to be clarified and numbering s/b 5.4
35	39	6.3 Quarterly Construction Work-in-Progress Reporting Cycle, #2	Added CPL due dates