

CHAPTER 6

ANNEX 1

PREPONDERANCE OF USE POLICY

This section illustrates the preponderance of use policy as discussed in section 060105. B.

Case I – General Fund Military Services**Criteria:**

- Army is a tenant on an Air Force Installation.
- Army is the preponderant user of the facility.

Original Asset	
Original Facility Acquisition Cost	\$200,000.00
<i>Financial Reporting Entity for Acquisition Cost</i>	<i>Air Force</i>
Capital Improvement	
Capital Improvement Cost	\$100,000.00
Capital Improvement Organization	Army
Capital Improvement Fund	General Fund
<i>Financial Reporting Entity for Capital Improvement</i>	<i>Air Force</i>

Case II – General Fund Military Services**Criteria:**

- Army is a tenant on an Air Force Installation.
- Army is not the preponderant user of the facility
- Air Force is the preponderant user of the facility.

Original Asset	
Original Facility Acquisition Cost	\$200,000.00
<i>Financial Reporting Entity for Acquisition Cost</i>	<i>Air Force</i>
Capital Improvement	
Capital Improvement Cost	\$100,000.00
Capital Improvement Organization	Army
Capital Improvement Fund	General Fund
<i>Financial Reporting Entity for Capital Improvement</i>	<i>Air Force</i>

Case III– General Fund Defense Agency**Criteria:**

- GF Defense Agency is a tenant on an Air Force Installation.
- GF Defense Agency is the preponderant user of the facility.

Original Asset	
Original Facility Acquisition Cost	\$200,000.00
<i>Financial Reporting Entity for Acquisition Cost</i>	<i>Reporting Defense Agency</i>
Capital Improvement	
Capital Improvement Cost	\$100,000.00
Capital Improvement Organization	Defense Agency
Capital Improvement Fund	General Fund
<i>Financial Reporting Entity for Capital Improvement</i>	<i>Reporting Defense Agency</i>

Case IV– General Fund Defense Agency**Criteria:**

- GF Defense Agency is a tenant on an Air Force Installation.
- GF Defense Agency is not the preponderant user of the facility.
- Air Force is the preponderant user of the facility.

Original Asset	
Original Facility Acquisition Cost	\$200,000.00
<i>Financial Reporting Entity for Acquisition Cost</i>	<i>Air Force</i>
Capital Improvement	
Capital Improvement Cost	\$100,000.00
Capital Improvement Organization	Defense Agency
Capital Improvement Fund	General Fund
<i>Financial Reporting Entity for Capital Improvement</i>	<i>Air Force</i>

Case V– Working Capital Fund Activity**Criteria:**

- DLA is a tenant on an Air Force Installation.
- DLA is the preponderant user of the facility.

Original Asset	
Original Facility Acquisition Cost	\$200,000.00
<i>Financial Reporting Entity for Acquisition Cost</i>	<i>DLA</i>
Capital Improvement	
Capital Improvement Cost	\$100,000.00
Capital Improvement Organization	DLA
Capital Improvement Fund	Working Capital Fund
<i>Financial Reporting Entity for Capital Improvement</i>	<i>DLA</i>

Case VI – Working Capital Fund Activity**Criteria:**

- DLA is a tenant on an Air Force Installation.
- DLA is not the preponderant user of the facility.
- Air Force is the preponderant user of the facility.

Original Asset	
Original Facility Acquisition Cost	\$200,000.00
<i>Financial Reporting Entity for Acquisition Cost</i>	<i>Air Force</i>
Capital Improvement	
Capital Improvement Cost	\$100,000.00
Capital Improvement Organization	DLA
Capital Improvement Fund	Working Capital Fund
<i>Financial Reporting Entity for Capital Improvement</i>	<i>DLA</i>

Case VII – Working Capital Fund Activity

Criteria:

- DLA is a tenant on an Air Force Installation.
- DLA is the preponderant user of the facility.
- The capital improvement to the facility is funded as follows:
 - o DLA 50 percent - WCF
 - o DeCA 30 percent - WCF
 - o Air Force 20 percent- GF

Original Asset	
Original Facility Acquisition Cost	\$200,000.00
<i>Financial Reporting Entity for Acquisition Cost</i>	<i>DLA</i>
Capital Improvement	
Capital Improvement Cost	\$100,000.00
Capital Improvement Organization	DLA, DeCA, AF
Capital Improvement Fund	WCF, GF
<i>Financial Reporting Entity for Capital Improvement</i>	<i>Amount per Entity</i>
- <i>DLA</i>	<i>\$50,000 + \$20,000</i>
<i>Air Force 20% share is reported by the preponderant user</i>	
- <i>DeCA</i>	<i>\$30,000</i>

Case VIII – Working Capital Fund Activity**Criteria:**

- DLA is a tenant on an Air Force Installation.
- DLA is NOT the preponderant user of the facility.
- Air Force is the preponderant user of the facility.
- The capital improvement to the facility is funded as follows:
 - o DLA 50 percent - WCF
 - o DeCA 30 percent - WCF
 - o Air Force 20 percent - GF

Original Asset	
Original Facility Acquisition Cost	\$200,000.00
<i>Financial Reporting Entity for Acquisition Cost</i>	<i>Air Force</i>
Capital Improvement	
Capital Improvement Cost	\$100,000.00
Capital Improvement Organization	DLA, DeCA, AF
Capital Improvement Fund	WCF, GF
<i>Financial Reporting Entity for Capital Improvement</i>	<i>Amount per Entity</i>
- DLA	<i>\$50,000</i>
- DeCA	<i>\$30,000</i>
- Air Force	<i>\$20,000</i>