



United States Department of the Interior

BUREAU OF RECLAMATION
Mid-Pacific Regional Office
2800 Cottage Way
Sacramento, California 95825-1898
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IN REPLY
REFER TO:
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ADM-10.00

MEMORANDUM

To: Mid-Pacific Region Codes: 100, 120, 140, 150, 160, 200, 400, 500, 700, 3000
Area Manager, Klamath Basin, Lahontan Basin, Northern California, Central
California, South-Central California Area Office
Operations Manager, Central Valley Operations Office
Construction Engineer, MP Construction Office

From: Michael R. Finnegan
Regional Business Manager

Subject: Business Practices Guidelines for Determining Reimbursability of Program Activities

Attached for your reference and future use are the completed Business Practices Guidelines for Determining Reimbursability of Program Activities (Guidelines) (Attachment 1). The Guidelines were developed over the past 18 months through a collaborative effort by Business Resources Center (BRC) staff and representatives from the Area Offices and Regional Office Divisions. The completed Guidelines also incorporate comments received from Region management, Office of Policy (OP) and Management Services Office (MSO) staffs, and other Regions during the review and comment period.

The primary purpose of the Guidelines is to promote consistency within the Region in determining the reimbursability of program activities. In summary, the Guidelines (1) streamline, standardize, and document the legal and regulatory basis, and internal processes used by the BRC in making determinations of reimbursability; (2) integrate the determination process with corresponding business processes including outyear budget formulation, financial accounting, and project cost allocation; and (3) provide for consultation as necessary with subject matter experts or the Office of the Solicitor on issues of legal or regulatory authority.

We appreciate the support we've received from you and your respective staffs throughout this rather substantial effort. As requested, we would be pleased to provide on-site briefings within your organizations. Point of contact is Larry Bauman, Manager, Ratesetting Services, 916/978-5364, TDD 916/978-5608.

Attachment

cc: MP-3100 w/Atch
MP-3200 w/Atch
MP-3400 w/Atch
MP-3600 w/Atch
MP-3700 w/Atch
MP-3800 w/Atch

Bureau of Reclamation, Mid-Pacific Region

**Business Practices Guidelines
for
Determining the Reimbursability of Program Activities**

Purpose. The purpose of these Business Practices Guidelines (Guidelines) is to promote consistency within the Mid-Pacific Region in determining the reimbursability of program activities. Guidelines establish a general framework for determinations. Specific individual situations that do not fit squarely within the Guidelines may need additional consideration. Additionally, these Guidelines are not intended, and should not be cited, as the authority for determining any particular activity as either reimbursable or nonreimbursable.

Scope. The Guidelines apply to all organizational elements of the Mid-Pacific Region.

Expiration. The Guidelines supplement but do not replace related Department of the Interior (Department) and Bureau of Reclamation (Reclamation) policies or directives and standards. The Guidelines supersede all previous Region administrative guidance on this subject. These Guidelines will remain in effect until formally revised or rescinded.

References.

1. Standard Processes of Costing (SPOC) Report, Sep 30, 1999.
2. Reclamation Manual, Directives and Standards ENV 03-01, Reclamation Consultation, Conservation, and Recovery Activities Under the Endangered Species Act of 1973, as Amended, Dec 26, 2000.
3. Reclamation Manual, Directives and Standards, BGT 04-01, Area Manager Funds, Jan 17, 2001.
4. Reclamation Manual, Directives and Standards, BGT 04-02, Jan 17, 2001.
5. Reclamation-wide Program Descriptions in the Programmatic Budget Structure, Bureau of Reclamation as revised.

Terms. Key terms used in the Guidelines are defined in the Glossary.

Responsibilities. Specific responsibilities are addressed throughout the Guidelines. In summary:

1. Region program managers are responsible for identifying the specific authority and otherwise documenting the basis for reimbursability or nonreimbursability of program activities.
2. Business Resources Center (BRC) Budget Services (MP-3200) is responsible for maintaining the Region's Activity Plan data base, and for establishing and maintaining cost authorities.

3. BRC Ratesetting Services (MP-3400) provides consultation on preliminary determinations during the budget process; and makes implementing determinations at the time cost authorities are established.

4. BRC Accounting Services (MP-3600) maintains the Standard General Ledger (SGL) Chart of Accounts and determines the appropriate accounting classification of each authorized program activity.

5. The Regional Environmental Officer (MP-150) will provide special advice and consultation in determining whether an Endangered Species Act (ESA)-related activity is a project-specific activity or non-project specific activity.

6. The Regional Business Manager (MP-3000) is responsible for administering and maintaining these Guidelines.

Preliminary determinations. Determinations of reimbursability should be considered as early as possible in the program and budget formulation process. This ensures that the question of "who pays?" is addressed up-front before long-term commitments are made. In order to facilitate this process, each Activity Plan contains individual data fields that identify (1) whether the activity is a project-specific activity or non-project specific activity, and (2) whether costs associated with the activity are subject to reimbursement. Program managers should consult with MP-3400 staff as necessary in completing these elements of the Activity Plans. In addition to other research, MP-3400 will cross-check the activity for consistency with project cost allocations.

In certain circumstances, Region management may elect to address issues of reimbursability during the legislative process. Region managers may propose clarifying language for inclusion in the Budget Review Committee Notebooks, Budget Estimates, or Budget Justifications. Proposed language should be coordinated as early as possible with MP-3200 in order to avoid any potential impact on budget scoring. At their own discretion, stakeholders may likewise seek legislation that designates the activity as nonreimbursable.

To further promote the concept of preliminary determinations, MP-3400 staff is available to participate in semi-annual budget workshops with water and power contractors to respond to questions regarding reimbursability of specific program activities. MP-3400 will also review and comment upon the reimbursability of completed Activity Plans prior to the Region's annual budget group meeting.

Implementing determinations. Implementing determinations on reimbursability are made by MP-3400 concurrently with the establishment of new cost authorities. This typically occurs once the activity has been authorized and funds have been appropriated. Appendix A describes the standard process for establishing cost authorities and completing the implementing determination.

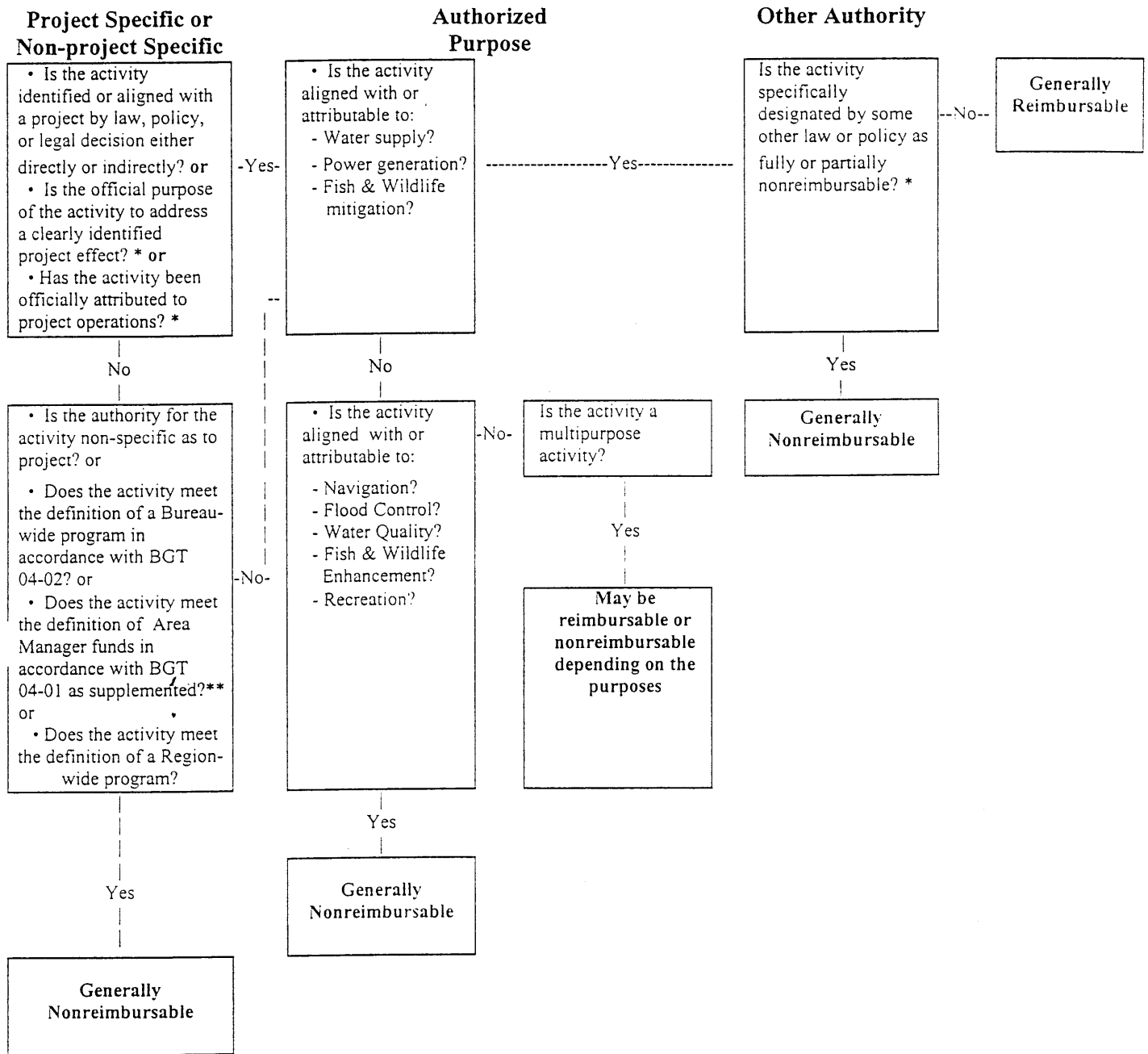
Basis for determinations. All preliminary and implementing determinations conform with the following basic principles and procedures:

Principles.

1. The activity or function is reimbursable or nonreimbursable, not the funding source. The only exception is Policy and Administration (P&A) where the entire appropriation is nonreimbursable by law. P&A appropriations may not be augmented.

2. All determinations must be supported by an appropriate authority. The authority may be a statute, legal opinion, contract, or Department or Reclamation policy in that order.

Decision process. Table 1 illustrates the decision process for determining the reimbursability or nonreimbursability of program activities. The decision process is a general framework and not intended to address every possible circumstance.



* See section on ESA-related activities.

** See section on Area Manager Funds

Table 1

Process Description.

Step 1: The first step in determining reimbursability is to define whether the activity is project-specific or non-project specific. Under Reclamation Law, the cost of reimbursable project-specific activities is recovered from project beneficiaries, typically water and power contractors. By definition, costs associated with non-project specific activities are excluded from project cost allocations and, consequently, are neither attributable to nor recovered from, project beneficiaries. For purposes of these Guidelines:

- **Project-specific activities.** An activity is generally considered a project-specific activity if:
1. The activity is identified or aligned either directly or indirectly with a project, or a specific facility or feature of a project, by law, Department or Reclamation policy, or applicable legal decision, or
 2. The activity is a required action under a final biological opinion or as a result of completed consultation pursuant to the ESA¹, and the purpose of the activity is to address a clearly identified project effect, or
 3. The activity has otherwise been officially determined, in writing, to be attributable to project operations according to some authoritative source.

Costs associated with a project-specific activity may be reimbursable or nonreimbursable depending upon the outcome of Steps 2 and 3 below.

- **Non-project specific activities.** In general, an activity is considered a non-project specific activity where:
1. Authority for the activity does not specifically identify the activity with a particular project, or
 2. The activity is attributable to, or aligned with, a "Bureau-wide Program" in accordance with Reclamation Manual, Directives and Standards, BGT 04-02, Jan 17, 2001, and the annual Budget Justifications, or
 3. The activity meets the definition of Area Manager funds in accordance with BGT 04-01 as supplemented by these Guidelines, or
 4. The activity meets the definition of Region-wide ESA Conservation/Recovery Program or other specific Region-wide program as defined in the annual Budget Justifications.

Activities not specific to a project are generally nonreimbursable and not subject to Steps 2 and 3. Reclamation's historical authority for this determination is the Fact-Finders Act of 1924, Subsection O, as amended. For reference purposes, a partial list of non-project specific activities is in Appendix B.

Step 2: Purpose of the activity. For project-specific activities, the second step in the process is to align the activities with a specific authorized project purpose. Project purposes and corresponding authorities are:

¹ In some cases, consultation activities may result in required actions without the necessity of a biological opinion.

| Purpose | Designation | Authority |
|---|---|--|
| Water supply (irrigation; municipal and industrial) | Reimbursable unless otherwise specified through Step 3 below | Reclamation Project Act of 1939 |
| Power generation | Reimbursable unless otherwise specified through Step 3 below | Reclamation Project Act of 1939 |
| Fish and wildlife (mitigation) | 1934-1946: Reimbursable | 1934-1946: Fish and Wildlife Coordination Act of 1934 |
| | 1946-1964: Nonreimbursable | 1946-1964: Fish and Wildlife Coordination Act of 1958 |
| | 1965 to present: Reimbursable unless otherwise specified thru Step 3 below | 1965 to present: Federal Water Project Recreation Act of 1965 |
| Fish and wildlife (enhancement) | Generally nonreimbursable | Federal Water Project Recreation Act of 1965 (P.L. 89-72); Water Resources Development Act of 1974 (P.L. 93-251) |
| Recreation | Generally nonreimbursable | Federal Water Project Recreation Act of 1965 (P.L. 89-72) |
| Navigation | Nonreimbursable | Reclamation Project Act of 1939 |
| Flood Control | Nonreimbursable | Reclamation Project Act of 1939 |
| Water Quality ² | Nonreimbursable | P.L. 87-88, July 20, 1961, Amendment to the Federal Water Pollution Control Act (P.L. 84-660) |

Table 2

Step 3: Other Authority. For those project-specific activities aligned with a reimbursable project purpose, the third and final step in the determination process is to identify any legislation

² In the Central Valley Project an allocation to Water Quality occurs only for the cost of New Melones Dam and Reservoir which was constructed by the Corps of Engineers and transferred to Reclamation for operational and repayment purposes. New Melones was authorized by Public Law 87-874, which included the following language:

"And provided further, the Secretary of the Army give consideration during the preconstruction planning for the New Melones project to the advisability of including storage for the regulation of streamflow for the purpose of downstream water quality control."

The transfer of the project by the Corps to Reclamation included a nonreimbursable cost allocation to water quality; Reclamation adopted the Corps' cost allocation for use in its allocation of plant-in-service and O&M costs.

or other legal authority that designates associated costs as nonreimbursable. In some instances, project-specific activities may be identified as nonreimbursable by an appropriate authority even though the activities are associated with water supply, power generation, or other reimbursable purposes. A partial list of these activities is at Appendix C.

ESA-related activities. The following guidance supplements Reclamation Manual, Directives and Standards ENV 03-01, Reclamation Consultation, Conservation and Recovery Activities Under the Endangered Species Act of 1973, dated Dec 27, 2000, which provides basic guidance on reimbursability of ESA-related activities:

Conservation/recovery actions. Conservation/recovery actions pursuant to ESA sections 7(a)(1), 7(a)(2), or 4(f)(1) are generally considered non-project, nonreimbursable activities. Such actions will be budgeted under the ESA Conservation/Recovery Program beginning with the FY 2004 budget.

Consultation activities. Regions may determine, on a case-by-case basis, whether any particular consultation activity is a project-specific activity or a non-project specific activity using several specific factors. Based upon the application of these factors, nearly all consultation activities in the MP Region are undertaken as a direct result of a potential or clearly identified project related effect, or project operations in general. Consequently, consultation activities in the Region are usually considered to be project specific activities and therefore budgeted as a project line item. Costs associated with such activities may be either reimbursable or nonreimbursable depending upon Steps 2 and 3 of the determination process.

Required actions. Required actions may be either a project-specific activity or a non-project specific activity. This determination will be made on a case-by-case basis by the Regional Environmental Officer in consultation with MP-3400 using these Guidelines as supplemented below. Where the Regional Environmental Officer determines that a required action is a non-project specific activity, he/she will document the basis for this determination the using the attached template (Appendix D) and forward it through the Regional Business Manager to the Regional Director for concurrence. If approved by the Regional Director, the memorandum will serve as the Region's authority for treating associated costs as nonreimbursable. A separate cost authority will be established for each required action once funds are appropriated. The reimbursability of costs associated with project-related actions will then be determined in accordance with Steps 2 through 3 of the determination process.

1. Project-specific activities. In general, a required action is considered a project-specific activity when the action addresses (mitigates) a clearly identifiable project effect, or project operations in general. Examples include land acquisition to mitigate habitat lost due to project construction, or construction of a fish screen to avoid entrainment of fish into irrigation systems.

2. Non-project specific activities. In general, a required action is considered a non-project specific activity when the official purpose of the action is to:

a. Develop information to determine if project effects may have occurred. For example: certain ecosystem-wide or basin-wide studies, or mapping species habitat within water district boundaries.

b. Implement mitigation actions that exceed identified, discrete effects of the project or are otherwise beyond the scope of identified project impacts. For example: acquire conservation easements to protect large segments of habitat, or address watershed level water quality effects.

Area Manager Funds. Area Manager Funds include certain non-project specific, nonreimbursable activities performed by Area Managers and Deputy Area Managers. Within the MP Region, such activities are normally limited to participation in Reclamation-wide teams or conferences to formulate, coordinate, or evaluate Reclamation-wide policies or directives and standards. Specific additional guidance will be included in the annual budget call letters.

Appeals. The following process should be used where the requester is not in agreement with the implementing determination:

1. The Area Manager or Regional Office Division Chief should submit a written request for resolution to the Regional Business Manager (MP-3000). Written requests may be by e-mail or memorandum with copies to MP-3400. The written request should include supporting documentation including any authority to support revision of the determination.
2. The Regional Business Manager will schedule a meeting or conference call with the Area Manager or Regional Office Division Chief or designated staff within 5 working days of receipt of the request. If the issue cannot be resolved through the meeting or conference call, the Regional Business Manager, at the discretion of the Regional Director, will request a review and opinion by the Office of the Solicitor.

Supporting processes. Region budget and financial management processes include certain additional checks and balances to promote consistency in determining the reimbursability or nonreimbursability of program activities. In particular:

Budget process. Region call letters for outyear appropriations budgets and the annual operating budget will include specific instructions for budgeting project and non-project specific activities. Instructions will generally conform with the following framework:

1. Activity plans will include data fields that identify the activity as either a project- or a non-project specific activity, and whether costs associated with the activity are subject to reimbursement.
2. Most non-project specific activities will normally be budgeted either as a Bureau-wide program or--beginning with the FY 2004 budget--specified Region-wide programs³. On a case-by-case basis, some non-project specific activities may be budgeted as a project line item. One example is activities funded with Area Manager funds. These are exceptions, budgeted in this manner only as an alternative to establishing and justifying a separate stand-alone program. Where a non-project specific activity is budgeted as a project line item, the basis will be fully documented on the Activity Plan.
4. Beginning with the FY 2004 budget, non-project ESA-required actions will be budgeted under the ESA Conservation/Recovery Program. Project-related, ESA-required actions will continue to be budgeted within the appropriate project budget.

³ Region-wide programs are established and approved according to a formal process. The new program is first identified in the Region's BRC notebook along with a detailed justification. The justification must be approved by the Commissioner and the Department in conjunction with their review of the Region's budget. If approved, the new Region-wide program is then included as a new line-item in the Budget Estimates submitted to OMB. Contingent upon OMB approval, the new Region-wide program is included in the Budget Justifications which are the President's Budget. There are often questions from Congress (usually from staff reviews) as to the reason for any change. Once funded, the new line becomes part of the Region's ongoing budget request.

Accounting process. All project and non-project specific activities are classified for accounting purposes, usually as new cost authorities are established. The accounting classification has no impact on the reimbursability or nonreimbursability of the activity. Rather, the accounting classification determines the manner in which reimbursable costs are recovered. There are only two classification types:

1. Construction. Costs associated with construction activities, including accrued interest, are capitalized and recovered over the authorized project repayment period. In general, activities are classified as construction where the activity results in a completed facility, or additions and replacements to facilities, to which Reclamation holds title. Examples include (a) feasibility investigations on proposed projects that are subsequently placed in service, (b) design effort, and (c) actual construction. Costs associated with these activities are normally carried as Construction In Progress until the facility is completed and enters into service (plant-in-service). At that point, accumulated costs are capitalized and included in the repayment balance.

2. Operation and Maintenance (O&M). Cost associated with O&M activities are treated as an annual expense ("expensed") for the year in which they occur. Activities are classified as O&M where the activity is other than construction and for day-to-day operation, maintenance, and/or management of Reclamation facilities and lands. Examples include repair and cleaning, routine replacements, inspections, and day-to-day manual or electronic operation project facilities. In addition to O&M activities, costs associated with certain other activities may also be expensed. Examples include (a) investigation activities that do not include with them an authorization for construction and (b) construction activities where Reclamation does not hold title to the completed facility.

Cost allocation process. Each year, MP-3400 allocates the reimbursable construction costs of each project and the reimbursable multipurpose O&M costs of the CVP. Costs associated with non-project specific activities are not allocated. In general, reimbursable construction costs are allocated on a percentage basis among all authorized project purposes, including both reimbursable and nonreimbursable purposes. Because allocation is done on a pro rata basis, most reimbursable purposes such as water supply are not 100 percent reimbursable. In addition, there may be some nonreimbursable elements attributed to those purposes. For example, if a CVP facility is used to help deliver water to a wildlife refuge, at least a portion of the cost will be allocated to water supply. A part of the water supply allocation, in turn, will be sub-allocated to what is known under CVPIA as Level 4 water supply and is nonreimbursable.

To the extent practicable, the allocation of O&M costs follows the allocation of plant-in-service costs.

Glossary

For purposes of the Guidelines, these terms have the following meanings:

Activity. A separable or unique task, or group of related tasks, identifiable to a project or program.

Activity (program activity). An activity that is region-wide in scope but does not fall under the purview of Policy and Administration; an activity on a project that does not have project-specific funding (i.e., the water conservation on the Santa Maria Project); or an activity that, as a matter of policy, is included in a Bureau-wide program (i.e., administration of the Reclamation Reform Act under the Reclamation Law Administration Program).

Allocation. The assignment of costs among authorized project purposes to determine repayment responsibilities. The project purposes may be either reimbursable or nonreimbursable.

Consistency. Consistency with applicable laws, regulations, policies, contracts, agreements and past practices.

Construction Program. Part of the Water and Related Resources appropriation for funding the construction of projects and features. Construction costs consist of all costs, including labor, construction equipment, land and land rights, investigations, engineering, and related services that contribute to the original value of the physical works constructed.

Cost Share. Requirement imposed by law, policy, regulation, contract or agreement that obligates benefiting parties—normally Federal and non-Federal parties—to split the costs of a project, program or facility. In most cases, the Federal share is considered nonreimbursable and therefore nonrecoverable from the non-Federal parties.

Fish and wildlife enhancement. Developing or improving wildlife resources beyond a condition or level that would have occurred without the project, i.e., beyond compensation.

Fish and wildlife mitigation. Avoiding and/or lessening wildlife losses due to a project through the use of loss prevention measures and/or offsetting losses through the use of other structural and nonstructural measures. Compensation is a form of mitigation--it means replacing or substituting wildlife resource value losses (caused by project construction or operation) to a level equivalent to those that would have occurred without the project.

General Investigation Funds. Part of the Water and Related Resources appropriation for engineering and economic investigations of proposed Federal reclamation projects, studies of water conservation and development plans, and activities preliminary to the construction,

reconstruction, rehabilitation and betterment, financial adjustment, or extension of existing projects.

Non-project specific activity. An activity is considered a non-project specific activity where the activity is not a project activity (as defined by these Guidelines) and where (1) authorizing legislation does not specifically identify the activity with a particular project, or (2) the activity meets the definition of a "Bureau-wide Program," or (3) the activity meets the definition of the Region-wide ESA Conservation/Recovery Program.

Nonreimbursable costs. Costs associated with (1) a non-project specific activity as determined by law or policy, or (2) a nonreimbursable project purpose (i.e., the Federal portion of recreation, flood control, navigation, and fish and wildlife enhancement), or (3) a reimbursable project purpose but subsequently authorized by law or policy as nonreimbursable.

O&M Program. Part of the Water and Related Resources appropriation that provides for the efficient and effective operation of Reclamation projects. It ensures the reliability and operational readiness of dams, powerplants, water distribution systems, recreational facilities, and related structures.

Preliminary determination. Initial determination of reimbursability made during the budget formulation process.

Project. Federal irrigation project authorized by Reclamation law.

Project-specific activity. An activity is generally considered a project specific activity if it is identified or aligned with or attributed to the project, or a specific facility or feature of the project, either directly or indirectly by law, policy or legal decision. The legal authority for the activity is normally addressed in the Budget Justifications. A project-specific activity may be either reimbursable or nonreimbursable.

Project operations. The full range of planning, operations, maintenance and other activities required to successfully accomplish each authorized function of the project.

Power contractor. An entity that has an agreement with Western Area Power Administration for long-term firm power.

Region-wide program. Program, funded by appropriations, that is exclusively comprised of non-project specific activities as determined through these Guidelines.

Reimbursable costs. Costs associated with those project purposes required by law to be reimbursable by project beneficiaries and therefore recovered through water and power rates (i.e., municipal and industrial water, power, and irrigation) or through repayment contracts with water users.

Repayment contract. Water contracts authorized under Sections 9(c)(1) and 9(d) of the Reclamation Project Act of 1939 which require water users to repay a fixed obligation over a set period of time in a manner similar to a home mortgage.

Required Action. A required action under a completed biological opinion, or a requirement resulting from completed consultations pursuant to the ESA.

Water service contract. Water contracts authorized under Sections 9c(2) and 9(e) of the Reclamation Project Act of 1939 that sell water on an acre-foot basis.

Water service contractor. An entity that has a contract with the Bureau of Reclamation for the delivery of Project water under terms of a water service contract.

Appendix A
Implementing Determinations
Concerning the Reimbursability of Program Activities

General. Implementing determinations are made concurrently with the establishment of new cost authorities. This typically occurs once the activity has been authorized and funds appropriated. The following process will be used for establishing cost authorities and making final determinations on reimbursability.

Process.

Program Manager.

1. In consultation with MP-3400, makes a preliminary determination of reimbursability in completing Activity Plans during the budget formulation process.
2. Completes form MP-937 (Rev. 01/00) "Request to Establish Cost Authority." The cost authority form is available on MPNet at (<http://intra.mp.usbr.gov/mp3000/data/regional/forms/mp-937.pdf>). The form addresses reimbursability under "Description of Work and Reporting Requirements." Requesters must provide basic justification to support nonreimbursability. Consistent with the budget formulation process, justifications must define the legal authority, identify the activity as a project-specific activity or non-project specific activity, and identify the activity with one of the authorized project purposes.
3. As required, consults with MP-3400 on the reimbursability of a cost authority.
4. Submits the completed form to MP-3200.

BRC Budget Services (MP-3200).

1. Verifies the work as described in "Description of work and reporting requirements" on the cost authority form is consistent with the authorization of the program/project.
2. Verifies adherence to the consistency of function and/or activities on a Reclamation-wide basis as detailed in the "Placement of Program Items in the Programmatic Budget Structure" (http://intra.mp.usbr.gov/mp3000/mp3200/b_congress/docs/placement_of_program_Items/index.html).
3. Compares the estimated cost cited on the cost authority form to appropriation, budgets and estimates; and validates that sufficient current year funds are available for the work efforts described.
4. Verifies the activity is in the appropriate project. (See Glossary—"Project-Specific Activity" for basis of determination.)
5. Determines the four-digit authority number (last four digits on the Federal Financial System [FFS] program number). The authority number must be consistent with past practice of Reclamation (i.e., the "sunsetting" Reclamation Instructions and Replacements-Units-Service Lives-Factors, [Blue Book], July 1995).

6. Determines the applicable general ledger and associated post flags based on the information provided on the cost authority form.

7. Establishes the numbering sequence and routes to BRC Ratesetting Services.

8. When the approved cost authority form is returned to Budget Services, the appropriate data entry forms (Sub-Project Table, Program Reference Data Sheet and Budget Fiscal Year Project Table) are completed. The cost authority number is then entered into FFS and Time and Attendance System (when applicable). The copies of the completed cost authority form are distributed to the offices as indicated and the original is retained in Budget Services.

BRC Ratesetting Services (MP-3400).

1. Reviews the cost authority form and justification to determine reimbursability based upon law and policy. For purposes of consistency, MP-3400 will compare the request with current project allocations.

2. Contacts the requester if the reimbursability determination made by MP-3400 differs from that of the requester. If the difference remains unresolved, then the cost authority will be established as determined by MP-3400, allowing the work to proceed immediately. In the interim, requesters may appeal the determination in accordance with these Guidelines.

3. Routes the approved cost authority form to BRC Accounting Services.

BRC Accounting Services (MP-3600).

1. Ensures that the cost authority form contains all of the necessary and accurate coding for entry into FFS (i.e., SGL Account, Project Type, and Project Category)

2. Ensures a closing account is established if necessary.

3. Ensures the main plant feature is identified when establishing a new construction work in progress cost authority. This will assist in establishing the appropriate account necessary for the future transfer of costs to plant.

4. Routes the approved cost authority form to MP-3200 for entry into FFS and final distribution.

Appendix B
Examples of Non-Project Specific (Nonreimbursable) Activities

Following are examples of non-project specific activities that have been identified by appropriate authority as fully or partially nonreimbursable. The examples are intended only as a reference for program managers and project managers. Examples do not represent a complete inventory of all instances of non-project specific activities. Program and project managers should consult with MP-3400 on any questions regarding reimbursability of program activities.

| Activity | Authority |
|---------------------------|---|
| Policy and Administration | Annual Energy and Water Development Appropriation bill . . . "to be derived from the Reclamation Fund and nonreimbursable as provided in 43 U.S.C. 377" . . . |

| | |
|---|--|
| <p>Bureau-wide programs *</p> <ul style="list-style-type: none"> - Dam Safety Program - Departmental Irrigation Drainage Program - Drought Emergency Assistance Program - Efficiency Incentives Program - Emergency Planning and Disaster Response Program - Environmental and Interagency Coordination Activities - Environmental Program Administration - Examination of Existing Structures - Federal Building Seismic Safety Program - General Planning Activities - Land Resources Management - Miscellaneous Flood Control - National Fish and Wildlife Foundation - Native American Affairs Program - Negotiations/Administration of Water Marketing - Operation and Maintenance Program Management - Power Program Services - Public Access and Safety Program - Reclamation Law Administration - Reclamation Recreation Management Act - Title XXVII - Recreation and Fish and Wildlife Program Administration - Science and Technology Program - Site Security - Soil and Moisture Conservation - Technical Assistance to States - Water Reclamation and Reuse Program - Title XVI - Water Management and Conservation - Wetlands Development | <p>Fact-Finders Act of 1924, Subsection O, as amended</p> <p>Reclamation Manual, Directives and Standards, BGT 04-02, Reclamation-Wide Program Funding Criteria, dated Dec 27, 00</p> <p>Bureau-wide Program Descriptions in the Programmatic Budget Structure, Bureau of Reclamation as revised</p> |
| <p>Water Conservation Field Service</p> | <p>Commissioner Martinez memoranda dated 5/3/96 and 12/10/96</p> |
| <p>Non-project policy and management activities performed by Area Managers and Deputy/Assistant Area Managers.</p> | <p>Reclamation Manual, Directives and Standards BGT-04-01, Jan 17, 2001, as supplemented by these Guidelines</p> |

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|-------------------------------|--|
| Cultural Resources Activities | National Historic Preservation Act of 1966 (16 U.S.C. 470), Section 110(g) Archaeological and Historic Preservation Act of 1974 (16 U.S.C. 469), Section 7(a) Reclamation Manual LND 02-01, March 13, 1998 |
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* In order to qualify as a Bureau-wide program activity, the activity must fully conform with a specific program description in the "Bureau-wide Program Descriptions in the Programmatic Budget Structure, Bureau of Reclamation" as revised.

Appendix C
Examples of Nonreimbursable Project-Specific Activities

The following table provides examples of project-specific activities associated with reimbursable project purposes that have been identified by subsequent legislation as fully or partially nonreimbursable. The examples are intended only as a reference for program managers and project managers. Examples do not represent a complete inventory of all instances of nonreimbursable project-specific activities. Program and project managers should consult with MP-3400 on any questions regarding reimbursability of program activities.

| Purpose | Activity | Authority |
|---|--|---|
| Water supply (irrigation; municipal and industrial) | Washoe Project construction activities | Section 205(c) of the Act of November 16, 1990 (P.L. 101-618): Except for the powerplant, retroactively made the costs of constructing the Washoe Project facilities nonreimbursable. |
| | Water Supply Enhancement (Klamath) | P.L. 106-498, Klamath Basin Water Supply Enhancement Act of 2000 |
| | Water Rights Reimbursement (Klamath) | P.L. 88-257, Public Works Appropriation Act, 1964 |
| | Klamath canal safety measures (Klamath) | P.L. 99-88, Supplemental Appropriations, FY 1985 |
| | Klamath Irrigation District/Tule Lake Irrigation District (Water Rights) | P.L. 69-284, The Omnibus Adjustment Act (1926) |
| | Shasta View costs (Klamath) | P.L. 92-149, Bureau of Reclamation, Investigations |
| | Rehabilitation and Betterment Shasta View Loan Buyback (Klamath) | |
| | Newlands Project Water Rights Fund | P.L. 106-377. Sec 207 – Beginning in fiscal year 2000 and thereafter, any amount provided for the Newlands Water Rights Fund for purchasing and retiring water rights in the Newlands Project |

| | | |
|--------------------------------|----------------|--|
| Power generation | Washoe Project | Section 205(c) of the Act of November 16, 1990 (P.L. 101-618): The portion of Washoe-generated power (at Stampede power plant) used at a fish facility is nonreimbursable; the remainder is reimbursable. This means a portion of the cost of the project allocated to power is nonreimbursable. |
| Fish and wildlife (mitigation) | None | None |

Appendix D

[Date stamp]

Memorandum

To: Regional Director
Mid-Pacific Region

From: Regional Environmental Officer, Attn: MP-150

Subject: Evaluation of Required Actions as a Non-Project Specific Activity

The purpose of this memorandum is to request your concurrence with a technical evaluation that certain required actions resulting from formal Endangered Species Act (ESA) consultations are non-project specific activities and therefore nonreimbursable by [CVP, Klamath etc.] beneficiaries. If approved, this memorandum will serve as the authority of record that costs associated with these actions are nonreimbursable.

The ESA consultation was initiated [*describe basic purpose and authority for the consultation*]. The scope of the consultation included [*describe scope and extent of the consultation*]. The completed consultations resulted in [*an approved Biological Opinion _____ that required Reclamation to complete [xx] specific actions*] [*several formal requirements*].

Reclamation Manual Directives and Standards ENV 03-01, Reclamation Consultation, Conservation and Recovery Activities Under the Endangered Species Act of 1973, as Amended, dated December 27, 2000, and Mid-Pacific Business Practices Guidelines for Determining the Reimbursability of Program Activities (BRC 02-01), provide key factors for determining whether a required action is a project-specific activity or non-project specific activity. Based upon application of those factors, the following required actions are considered to be non-project specific activities:

1. Action. [*List action*]

Technical evaluation. [*Provide a brief paragraph that summarizes the basis for the evaluation in relation to cited references*]

- Project Effect
- Project Operations

2. Action. [*List action*]

Technical evaluation. *[Provide a brief paragraph that summarizes the basis for the evaluation in relation to cited references]*

- Project Effect
- Project Operations

Concur/Nonconcur: _____
Area Manager Date

Concur/Nonconcur: _____
Manager, BRC Ratesetting Services Date

Concur/Nonconcur: _____
Regional Director Date