

Reclamation Manual

Directives and Standards

Glossary

1. **Purpose.** The purpose of this Appendix is to ensure uniform definitions for the data presented in the Statement of Project Construction Cost and Repayment (SPCCR). The objective of establishing Reclamation-wide SPCCR definitions is to improve statement usability for Bureau of Reclamation personnel and for project beneficiaries.
2. **Glossary.**
 - A. **Advance Planning.** Detailed planning studies in connection with an authorized project involving collection of field data, land classification, foundation exploration, topographical mapping, aerial surveys, and other engineering and economic studies necessary for the preparation of definite plan reports and designs and specifications preparatory to start of construction.
 - B. **Anticipated Future Repayment – Power Revenues.** Manually calculated to record the amount of anticipated future repayment associated with aid to irrigation. It applies only to the irrigation and commercial power columns.
 - C. **Assets Under Construction (General Ledger (GL) 1720.CIP00).**
 - (1) Includes costs of direct labor, direct material, and overhead incurred in the construction of property, plant, and equipment (PP&E) (except information technology software) for which the agency is accountable. Upon completion, transfer these costs to the proper capital asset account as the acquisition cost of the item.
 - (2) Record PP&E new construction, replacement, additions, or betterments that meet the requirements for capitalization in this GL until the work is substantially complete. The costs of construction include both contract costs and non-contract costs, such as direct labor, direct materials, and indirect costs incurred to bring the asset to its intended use. Refer to Reclamation Manual (RM) Directive and Standard (D&S), *Assets under Construction (AUC)* ([FIN TRMR-92](#)) for criteria for determining when a constructed asset is substantially complete and for additional information. Refer to [FIN TRMR-92, Appendix B](#), for a complete list of construction/plant accounts.
 - D. **Capitalized Moveable Equipment (GL 1750.XXXXX – Equipment).** The capitalized cost of tangible equipment items of a durable nature used by Reclamation in providing goods and services (excluding computer software).
 - E. **Capitalized Operations and Maintenance (O&M).** After construction is complete and the project is in the O&M phase, it may incur costs for betterments, replacements, additions, etc. These costs include extraordinary O&M as defined by Omnibus Public Land Management Act of 2009 (Pub. L. 111-11), including those amounts in advance

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by beneficiaries or funded with appropriations, or costs less than \$100,000 that are capitalized in our financial records in accordance with RM D&S, *General Property, plant and Equipment (G-PPE)*, ([FIN TRMR-93](#)) and RM D&S, *Depreciation and Amortization*, ([FIN 07-23](#)). For the purposes of this D&S, these assets are referred to as capitalized O&M.

- F. **Construction in Abeyance (GL 1720.CIA00).** Construction activities Reclamation identified as suspended or terminated and classified as temporarily suspended by management as outlined in RM D&S, *Determination to Suspend an Authorized Construction Activity* ([CMP TRMR-88](#)). Refer to RM D&S, *Construction in Abeyance (CIA) and Impaired Assets* ([FIN TRMR-91](#)) for additional information.
- G. **Corollary Costs – Western.** This item is unique to the Pick-Sloan Missouri-Basin Project and Integrated Projects. The dollar amounts represent Reclamation plant values transferred to Western Area Power Administration, the power marketing administration responsible for marketing power for the Great Plains Region. These amounts are generally historical and not easily verified.
- H. **Credits.**
- (1) The term “incidental credits” is used to identify situations where a project beneficiary’s repayment responsibility is reduced, offset, or eliminated. Some examples of Reclamation “incidental revenues credits” are (1) credit to the project (or tail-end credit), (2) credit to the General Reclamation Fund, and (3) front-end credit. Usually credits continue to accrue even after a project beneficiary has met their repayment responsibility. These are referred to as “statutory credits.” RM D&S, *Crediting Requirements for Incidental Revenues* ([PEC 03-01](#)), contains detailed credit, incidental revenue, and the authority information.
 - (2) The phrase “Other Credits” as used in this D&S refers to a subdivision of the Repayments group. It identifies where specific types of credits are reported in the SPCCR but is not intended to define a specific credit.
 - (3) A “credit” can originate as the result of project-specific congressional legislation. For example, Congress has passed project-specific legislation where a beneficiary received a credit to offset its entire repayment responsibility as long as they provide a set amount of water annually to a specified entity. Other project-specific legislation has capped the amount beneficiaries have to repay and the amount forgiven is considered a credit to the project.
- I. **Deferred Municipal and Industrial (M&I) Water.** Deferral of repayment of any costs allocated to the M&I water project purpose covered under the current repayment contract greater than the contractual maximum.

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- J. **Division.** A reference or title used to distinguish elements, features, sub-projects or other aspects of a large integrated or basin-wide project. The division title is also used to identify stand-alone projects. For example, the Shasta Division is part of the Central Valley Project (CVP). A division can be further sub-divided into units and, in some cases, further sub-divided into blocks.
- K. **Estimate to Complete.** Total Estimated Cost minus Total Construction Cost to Date.
- L. **Fish and Wildlife (F&WL).** F&WL is one of Reclamation's authorized project purposes. Not all projects are authorized for F&WL purposes. Construction costs can only be allocated to F&WL if it is an authorized purpose for the specific project or feature. The majority of costs allocated to this project purpose are non-reimbursable.
- M. **Future Repayment Contracts.** Amounts not under contract for repayment, but are expected to eventually be under contract.
- N. **Incidental Revenues.** Incidental revenues refers to Federal moneys generated from the use of Reclamation project lands and facilities, which are incidental to authorized project purpose(s) and permitted under Reclamation law. Numerous statutory authorities govern crediting of incidental revenues. PEC 03-01 provides specific revenue reporting requirements.
- O. **Land and Land Rights (GL 1711.XXXXX).** The identifiable cost of land and land rights of unlimited duration acquired for, or in connection with plant, general property, and equipment used in general operations and permanent improvements. Stewardship land (national park or forest and land in public domain), materials beneath or above the surface, and outer-continental shelf resources are excluded.
- P. **Matured Value – Repayment Contracts.** This refers to the amount of a repayment contract that either has been repaid by the beneficiary or has been reduced by congressional authorization or some other means, such as a front-end credit.
- Q. **Miscellaneous Income and Non-operating Income.** Income or revenue collected for activities other than operation of the project. Examples include easements and rights of way, leases of land and minerals (oil and gas), commercial leases (i.e., for cellular communications towers), etc.
- R. **Multi-purpose (MP).** When a project or feature provides benefits to more than one authorized project purpose. Costs allocated to MP project purpose(s) further allocate to one or more of Reclamation's authorized project purposes.
- S. **Municipal and Industrial or M&I.** M&I is one of Reclamation's authorized project purposes but it is not an authorized purpose for all projects. Costs allocated to this

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project purpose are normally reimbursable, but there are exceptions. In certain situations, congressional legislation has declared some or all of these costs partially or wholly non-reimbursable.

- T. **M&I Water Revenues.** Revenues collected from the sale of M&I water.
- U. **Non-reimbursable Expenses.** Costs exempted from repayment pursuant to legislation or an administrative determination mandating exemption from repayment. They are costs that project beneficiaries do not have to repay to the Federal government.
- V. **Plant in Service (GL 1740.XXXXX).** Also referred to as “Other Structures and Facilities.” The construction costs, purchase price, appraised value, or fair market value of Federal government-owned structures and facilities, other than MP buildings owned and controlled by Reclamation. Some examples of Reclamation features or assets recorded in this GL include dams, canals, power plants, pumping stations, reservoirs, communication facilities, poles and fixtures, and waterways.
- W. **Power Repayment Study.** Report prepared by Power Marketing Administrations (PMAs) to document and support power system costs and amounts paid or due from power customers. Also used to assist in establishing power rates. PMAs use this tool to determine if the projected power revenue for each project is adequate to meet the annual requirements and to calculate how much revenue is needed to meet annual investment obligations, O&M expenses, and repayment requirements (including repayment periods).
- X. **Project Purpose.** Legislation authorizes expenditures to construct projects and project features for project purposes associated with Reclamation’s mission. Reclamation is required to recover reimbursable costs from individuals, districts, or other entities that benefit directly from its project operations. Project purposes Reclamation is authorized to provide include irrigation, M&I, F&WL enhancements, power, flood control, navigation, recreation, salinity control, etc.
- Y. **Project Use Power (PUP).** PUP is electrical energy and associated ancillary service components required to provide the full electrical service needed to operate and maintain project facilities and to provide electric service for project purposes in conformance with the Reclamation projection authorization. Examples of projection authorization are distribute water to water users, operate the lights and heating the buildings at Reclamation’s administrative or headquarters, etc. When the project purpose is reimbursable, the cost of PUP is included as a cost to project beneficiaries. Power transmission facilities used to deliver power to project features and these transmission costs are considered part of PUP costs.
- Z. **Property, Plant, and Equipment or PP&E.** Statement of Federal Financial Accounting Standards No. 6, *Accounting for property, plant and equipment*, defines PP&E as “tangible assets that (1) have an estimated useful life of two or more years,

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(2) are not intended for sale in the ordinary course of business, and (3) are intended to be used or available for use by the entity.” Reclamation’s general PP&E consists of land, AUC, construction in abeyance, buildings, other structures and facilities, data processing software, and equipment. Refer to [FIN TRMR-93](#) for additional information.

- AA. Rehabilitation and Betterment (R&B).** A program authorized by the Rehabilitation and Betterment Act (October 7, 1949, ch. 650, Pub. L. 81-335; 63 Stat. 724; 43 USC 504). It provides for the maintenance, including replacements of irrigation systems on projects governed by Federal Reclamation laws, for which the organizations concerned cannot currently finance but will repay in installments. The rehabilitation of features on previously non-Federal projects is also included in the R&B program under specific authorizations.
- BB. Safety of Dams.** Congress authorized Reclamation to receive and expend appropriations to perform assessments on its dams to determine whether there are structural deficiencies that may result in damage to people or property. When deficiencies are identified, a report is prepared and a determination is made as to what, if any, remedies are appropriate. If a construction remedy is approved, the costs are capitalized and allocated to the benefiting project purposes. Generally, 15 percent of the capitalized costs are reimbursable and allocated among the reimbursable project purposes for repayment.
- CC. Section 8 Costs.** Section 8 of the Colorado River Storage Project (April 11, 1956; Pub. L. 84-485; ch. 203, Section 8, 70 Stat. 105) deals with recreation and F&WL facilities. Per the legislation, “all costs incurred pursuant to this section shall be non-reimbursable and nonreturnable.”
- DD. Total Anticipated Future Repayment – Irrigation.** All un-matured water contract balances. It also includes any repayment allocated to undistributed water allocations.
- EE. Total Construction Cost to Date.** Total capitalized costs through the reporting year. This would include all capitalized costs recorded in GL accounts beginning with 17, 18, or 19.
- FF. Total Estimated Cost.** Obtained from the Budget Justification Narratives indicating total estimated budgeted items.
- GG. Uncontracted Water.** Project water with allocated costs but with no contract providing for repayment of these costs.
- HH. Unit.** A reference or title used to distinguish elements, features, sub-projects or other aspects of a large integrated or basin-wide project. For example, the San Luis Unit is part of CVP. A unit may be a stand-alone-project, a sub-division, or just part of a large integrated or basin-wide project. A unit may be further sub-divided into blocks.

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II. **Un-matured Contract.** Amount of repayment contract that remains to be repaid.