

Reclamation Manual

Directives and Standards

TEMPORARY RELEASE

(Expires 07/07/2017)

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| Subject: | Assets Under Construction (AUC) |
| Purpose: | Establishes accounting requirements and procedures for recording AUC. The benefit of this Temporary Reclamation Manual Release (TRMR) is to provide the Bureau of Reclamation-specific accounting direction that is compliant with Federal generally accepted accounting principles. |
| Authority: | Federal Accounting Standards Advisory Board (FASAB) Statement of Federal Financial Accounting Standards (SFFAS 6 , <i>Accounting for Property, Plant and Equipment</i> ; FASAB SFFAS 44 , <i>Accounting for Impairment of General Property, Plant and Equipment Remaining in Use</i> ; and FASAB Technical Release (TR 14 , <i>Implementation Guidance on the Accounting for Disposal of General Property, Plant & Equipment</i>) |
| Approving Official: | Director, Management Services Office |
| Contact: | Business Analysis Division, Compliance and Audit Team (CAT) (84-27410) |

1. **Introduction.** Reclamation capitalizes costs incurred for general property, plant, and equipment (G-PP&E) in accordance with the SFFAS 6, and Reclamation Manual (RM) TRMR, *General Property, Plant and Equipment* (FIN TRMR-93). Reclamation records impairments, disposals, and removal from service in accordance with SFFAS 6, SFFAS 44, and TR 14. The costs of constructing an asset 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. During the time of construction, the costs accumulate in AUC, formerly known as Construction in Progress (CIP). Once construction is substantially complete, the region transfers the costs from AUC to the appropriate plant account.
2. **Applicability.** This TRMR applies to all Reclamation staff involved in the recording and monitoring of AUC. The requirements in this TRMR do not apply to data processing software or land. Refer to RM D&S, *Computer Software Costs* ([FIN 07-32](#)) or *Plant Accounting - Land* ([FIN 07-22](#)) for requirements specific to these components of G-PP&E. Requirements in this TRMR also do not apply to stewardship investments for non-Federal physical property and research and development. Reclamation expenses stewardship investment costs in accordance with FASAB guidance.
3. **Definitions.**
 - A. **Additions.** Additions are new, separate, physical assets or sub-assets that increase the capacity or operating efficiency of an existing asset.

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- B. **Asset.** Tangible or intangible items owned by the Federal Government that would have probable economic benefits that a Federal Government entity can obtain or control.
- C. **Assets under Construction or AUC.** Reclamation records G-PP&E construction that meets the requirements for capitalization in AUC until the work is substantially complete.
- D. **Betterment.** A betterment is an improvement or upgrade of an existing asset that increases the size, capacity, or operating efficiency. A betterment may also extend the useful life of an asset.
- E. **Construction Activity (also known as Project).** Any non-recurring activity to develop new features or assets, or rehabilitate, renovate, or replace existing assets. A construction activity meets the definition of a project.
- F. **Construction in Abeyance (CIA).** Construction activities Reclamation identified as temporarily impaired, suspended, or terminated and approved by management as outlined in RM TRMR, *Determination to Suspend an Authorized Construction Activity* (CMP TRMR-88).
- G. **Feature.** A feature is an asset or group of individual assets that are interdependent and function in order to provide an authorized project benefit.
- H. **Impairment.** A significant and permanent decline in the service utility of G-PP&E, or expected service utility for construction work in progress. The events or changes in circumstance that lead to the impairment are not normal and ordinary. That is, at the time Reclamation acquired the G-PP&E, the event or change in circumstance would not have been (a) expected to occur during the useful life of the G-PP&E or, (b) if expected, sufficiently predictable to be considered in estimating its useful life.
- I. **Intended Purpose.** Intended purpose refers to the function of the feature, asset or project plan objectives in meeting or maintaining authorized project benefit(s).
- J. **Interdependent Assets.** The aggregation of multiple assets that is functionally or operationally dependent in order to deliver the designed benefit or perform the design operation.
- K. **Interest during Construction (IDC).** Interest accumulated during the construction period. Reclamation adds this interest to the cost of the long-term asset.

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- L. **Investigations and Development.** Costs incurred in the collection of data and the preparation of plans, estimates, surveys, maps, general layouts and reports in advance of construction for appraisal, feasibility, planning and other general engineering and research.
- M. **Project Manager.** A project manager is the person assigned by Reclamation to achieve the objectives of a construction activity and to ensure completion of the construction activity on-schedule, within budget, and to the appropriate scope.
- N. **Project Plan.** Construction and replacement activities that detail the scope of work and specify project activities needed to meet the intended purpose. The project plan will identify distinct, independent assets and interdependent assets to maintain consistency for determining when to transfer assets from AUC to Plant.
- O. **Replacement.** The construction or installation of plant in service to replace property retired, together with the removal of the property retired. The new asset does not increase the capacity, operating efficiency or useful life.
- P. **Residual Cost.** Any costs Reclamation processes to complete the construction of an asset after it initially transferred the asset from AUC to plant.
- Q. **Substantially Complete.** Substantial completion refers to a stage of a construction or construction activity or a designated portion of the construction activity that is sufficiently complete, in accordance with the criteria in a construction activity project management plan, so that Reclamation may use, operate, or occupy the construction activity or designated portion thereof for the intended purpose.
- R. **Useful life.** The normal operating life of an asset in terms of utility to the owner.
4. **Responsibilities.**
- A. **Regional Finance Officers.** Regional finance officers are responsible for:
- (1) preparing the Assets under Construction Analysis form;
 - (2) reviewing the quarterly status of construction activity in AUC reported by the project manager ;
 - (3) assisting the project manager in the determination of when costs should transfer out of AUC;
 - (4) processing the appropriate transfer transactions in FBMS within 30 days from the receipt of the signed operation and maintenance (O&M) status memorandum;

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- (5) establishing functional areas in FBMS for new assets if the functional area does not already exist;
- (6) coordinating the transfer to Plant transactions with the Financial Systems and Operations (FSO);
- (7) coordinating with CAT before transferring any residual cost three years after the initial transfer to Plant;
- (8) posting the non-Federal partner's cost share cost in FBMS;
- (9) maintaining completed analysis forms to verify quarterly review;
- (10) maintaining documentation supporting the AUC amount immediately before the transfer;
- (11) notifying the regional real property office and the project manager when the transfer is complete;
- (12) verifying that building records are created for any new assets created during the transfer process;
- (13) analyzing RA Work Breakdown Structures (WBS) used for the ACU assets and close if no longer necessary; and
- (14) retiring any zero value assets created by final AUC settlement that are no longer necessary.

B. Project Managers. Project managers are responsible for:

- (1) analyzing the status of construction activities quarterly;
- (2) determining when construction activities in AUC have met the criteria for substantially complete;
- (3) providing the non-Federal partner's cost share cost data to the regional finance office;
- (4) providing the status, estimated completion dates and costs on the quarterly analysis form and returning to the regional finance office;
- (5) assisting the regional finance office in the determination of when costs should transfer out of AUC; and

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- (6) completing the appropriate documentation to transfer costs from AUC.
 - C. **FSO.** FSO is responsible for:
 - (1) settling costs from AUC to the appropriate asset account upon receipt of a capitalization settlement Remedy ticket from the region; and
 - (2) populating the posting and value dates in the CJ88 settlement transaction with the appropriate dates.
 - D. **Reporting and Accounting Team (RAT).** RAT is responsible for recording a journal voucher monthly to post expenses in reimbursable WBSs beginning with RR, RP, or RQ and associated with AUC to clone WBSs beginning with RA.
 - E. **CAT.** CAT is responsible for reviewing and approving the regional finance office's request to transfer of residual costs if the costs occur more than 3 years after the original AUC to plant transfer.
 - F. **Reclamation Integration Office (RIO).** RIO is responsible for settling AUC that has a net credit expense balance.
4. **Costs.** Reclamation records capitalized G-PP&E at cost. Refer to FIN TRMR-93 for additional information on the types of costs to capitalize. Reclamation initially records all of these costs in General Ledger (GL) 6100.XXXXX through 6850.00000 which then settle to GL 1720.CIP00 if it is posted to an RA WBS with a settlement rule. Reclamation will use the [Replacements - Units, Service Lives, Factors](#), as the primary source to determine the unit of property or unit of maintenance. Refer to the capitalization flowchart in Appendix A to assist in the determination of capitalization.
 5. **IDC.** Refer to RM D&S, *Interest During Construction (IDC)* ([FIN 07-21](#)) for requirements on the initiation, computation, and discontinuance of IDC.
 6. **AUC.**
 - A. Reclamation uses GL account 1720.CIP00 – *Construction-in-Progress* to capture ongoing construction costs incurred for new construction, replacements, betterments, or new additions for federally owned G-PP&E construction activities. AUC also includes construction costs for G-PP&E Reclamation has the authority to hold in trust. Reclamation begins charging costs to this GL account once granted construction authorization (post-authorization) or upon the official decision to construct (post-decisional). The project manager will provide the cost share data from the non-Federal

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partner to the regional finance office for posting to FBMS at least annually or in accordance with the cost share agreement (i.e., quarterly, annually, upon construction activity completion, etc.).

- B. Reclamation must record post-authorization or post-decisional investigations and development costs in GL 1720.CIP00 using plant account 00192. Record pre-authorization or pre-decisional investigations and development costs in the appropriate expense account as a current period cost. Reclamation will also expense investigations and development cost not expected to result in the construction of an asset. Some examples of post-authorization investigations and development costs include:
- (1) advance planning;
 - (2) definite plan reviews;
 - (3) engineering reviews;
 - (4) architectural reviews; and
 - (5) certain cultural resources or archaeological investigations or studies costs attributable to project construction.
- C. The region must establish the WBS used to capture the AUC costs with the appropriate construction/plant accounts in the first three digits after the second period of the WBS, formerly known as the job. Refer to Appendix B for a list of the construction/plant accounts. Reclamation will follow the guidance in RM D&S, *Standard General Ledger (SGL) Chart of Accounts (FIN 04-20)* and the [WBS Element Handbook](#) to create a WBS. The region retains documentation to support establishing a capitalized WBS. The support documentation must include:
- (1) authorization for the construction or Reclamation management's official decision to construct;
 - (2) evidence of ownership by a Federal agency; and
 - (3) support for determination to capitalize the asset (meets the capitalization criteria).
- D. The AUC process consists of the following steps:
- (1) For new assets, replacements, and betterments by replacement, if a functional area (project) does not already exist, the regional finance office creates an AUC FBMS Project in FBMS. For additions and betterments of existing assets, the region must create the WBS element against an existing FBMS Project. The creation of the WBS element automatically creates an AUC asset shell in the 8000 series

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number. WBS elements for non-reimbursable agreement AUCs begin with RA. For reimbursable agreement AUCs with a WBS beginning with RR, RP, or RQ, the region also creates a “clone” RA WBS element. Refer to the WBS Element Handbook when establishing reimbursable agreement AUC WBSs.

- (2) Expenses such as labor, materials, supplies, etc. post to the WBS in GL 6100.XXXXX through 6850.00000.
 - (3) The Business Integration Office runs the FBMS program RA_CREATE_ASSET_FM nightly. This program automatically creates sub-assets on multi-funded construction costs based on the functional area and fund.
 - (4) FBMS settles the expenses from the WBS element(s) to the AUC asset and sub-assets nightly through the CJ88 settlement program. The GLs for the settlement are 1720.CIP00 and 6610.00000.
 - (5) For reimbursable agreement AUC costs, RAT submits a journal voucher debiting 6100.312Z0 in the RA WBS and crediting 6100.312Z0 in the RR, RP, or RQ WBS monthly to allow settlement of the reimbursable construction projects. FBMS then settles the costs as in (4).
- E. Costs remain in the GL 1720.CIP00 account until:
- (1) the regional finance office and the project manager, with regional director’s or their designee’s concurrence, determine that the construction activity has met the criteria to transfer the costs to completed plant;
 - (2) management determines the activity is temporarily suspended which authorizes the transfer of cost to CIA in accordance with CMP TRMR-88; or
 - (3) management determines the activity is permanently suspended which authorizes the transfer of costs to the appropriate expense accounts in accordance with CMP TRMR-88.
- F. Upon receipt of the regional director’s or their designee’s determination that a construction activity is substantially complete, the regional finance office will move the costs (including the non-Federal partner’s cost) from AUC to the appropriate plant account. Refer to RM D&S, *Transfer of Operation and Maintenance (O&M) Responsibility of Project Works* ([FAC 01-05](#)) for the requirements to classify a construction activity as substantially complete. If Reclamation constructs the asset for another Federal agency, the regional finance office transfers the asset to plant, and then transfers the asset to the other Federal agency.

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- G. When an asset is placed in service, the regional finance office transfers the associated costs to the appropriate plant account(s), i.e., GL 1730.XXXXXX – *Buildings* or GL 1740.XXXXXX – *Other Structures and Facilities*.

7. Quarterly Analysis of AUC.

- A. Regional finance offices are responsible for certifying the status of **all** construction activities (including the cost share amounts from the non-Federal partner's) accounted for in the GL account 1720.CIP000 **at least quarterly** and will coordinate with the appropriate project managers to facilitate this analysis. The purpose of the analysis is to identify if construction activities:
- (1) have active construction activity and still belongs in AUC;
 - (2) have met the criteria for substantially complete and the project manager is completing the documentation to transfer to the appropriate completed plant account(s) after concurrence by the regional director or their designee;
 - (3) have met the CMP TRMR-88 criteria to temporarily suspend construction activity and the project manager is requesting managements approval to transfer to CIA (refer to RM TRMR, *Construction in Abeyance (CIA) and Impaired Assets* (FIN TRMR-91) for specific requirements);
 - (4) have been determined to be permanently suspended by management in accordance with CMP TRMR-88 or have been Congressionally de-authorized and must be expensed; or
 - (5) have residual costs to transfer to the appropriate completed plant account(s).
- B. The regional finance office will pay special attention to construction activities where current year costs are less than 10 percent of the total-to-date AUC costs as this is an indication that the construction activity maybe substantially complete or construction has halted. The regional finance office will also monitor the projects with the estimated completion dates nearing completion. The regional finance office will monitor the projects annotated with a substantially complete status and CIA to ensure receipt of the signed O&M status memorandum or the signed Request for Suspension and follow up with the project manager if not received timely.
- C. The region uses the *Assets under Construction Analysis Form* (Appendix C) to facilitate the analysis. The regional finance office prepares the form and forwards it to the appropriate project managers. The project managers will use the form to provide:
- (1) the status of every construction activity recorded in GL 1720.CIP00;

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- (2) an estimated date for the approval of the transfer to O&M status for substantially completed construction activities;
 - (3) an estimated date for the approval of the Request for Suspension for temporarily suspended construction activities;
 - (4) the estimated completion dates for all features not marked as substantially complete;
 - (5) estimated cost to complete; and
 - (6) any other pertinent comments.
- D. The regional finance office will coordinate with the project manager to ensure the completion of appropriate transfer documentation when making the determination to transfer costs to plant, CIA, or expense. The regional project manager initiates the *Transfer to O&M Status Memorandum* ([FAC 01-05, Appendix A](#)) document. On receipt of the signed O&M status memorandum, the regional finance office will initiate the *Transfer to Plant Form* (Appendix D). The regional finance office maintains both completed documents to support any associated accounting transactions. Outstanding transactions such as pending claims or litigation, or minor termination work must not delay a transfer out of AUC.
- E. The costs listed on the analysis form are as of the date the regional finance office retrieved the information. The costs actually transferred from AUC are the costs as of the date of the transfer. Additional activity will likely occur between the date of the analysis and the date of the transfer causing the amounts to differ. The regional finance office will document (using the FBMS cost summary report or other appropriate report) the amount in GL1720.CIP00 immediately prior to the transfer to support the accounting transactions.
8. **Congressional De-authorization of a Construction Activity.** Reclamation expenses all capitalized costs incurred for the de-authorized construction activity in the period of de-authorization. Refer to FIN TRMR-91 for requirements on accounting treatment.
 9. **CIA.** Reclamation uses GL 1720.CIA00 – *Construction-in Abeyance* to report costs incurred for construction activities that have been temporarily suspended in accordance with CMP TRMR-88. Refer to FIN TRMR-91 for specific requirements. The status of completion is not a consideration for such a transfer.
 10. **Transferring AUC to Plant FBMS Procedures.** Prior to November 6, 2015, settled residual AUC costs directly to completed plant using a residual cost element WBS. Reclamation no longer uses a residual cost element WBS to settle residual AUC costs.

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Residual costs set up in an RX WBS prior to November 6, 2015, will settle directly into the RX WBS until the contract, purchase order, etc., expires or terminates. These costs are exempt from the requirements listed below for residuals in an RA WBS. For all other AUC, once the region determines a construction activity meets the transfer criteria, it initiates the transfer. The transfer from AUC to plant requires the following steps. Reclamation must complete these steps in the order listed.

- A. The region creates a temporary asset and sub-assets (if multi-funded) in GL 1730.XXXXXX or 1740.XXXXXX with a 5000 series number and the same accounting strings (RA WBS, functional area, fund and fund center) as the asset and sub-assets in AUC, GL 1720.CIP00. For residual transfers with an RA WBS, the region must also update the settlement rule. To prevent depreciation occurring in the temporary asset and sub-assets, the region must use one of the following asset classes:
- (1) 56CAC323, CAP Build exist REO – GL 1730.XXXXXX, capitalized building for existing Reclamation real estate object(REO);
 - (2) 56CAD322, CAP Reclam exist REO – GL 1740.XXXXXX, capitalized dams and improvements for existing Reclamation REO; or
 - (3) 56CAZ323 Cap Reclam exist REO – GL 1740.XXXXXX capitalized Reclamation capital structures and non-building.
- B. The regional finance office fills out the *AUC to Plant* spreadsheet, Appendix E, and creates a capitalization settlement Remedy ticket routed to BOR-Cost Controlling. The regional finance office attaches the *AUC to Plant* spreadsheet to the Remedy ticket as part of the supporting documentation for the transfer. If the AUC has a net credit expense balance, the region submits a Remedy ticket to RIO Property and does not perform the remaining steps in the AUC process.
- C. FSO transfers the costs from the asset and sub-assets in AUC, GL 1720.CIP00, to the new temporary asset and sub-assets created in Paragraph 14.A in GL 1730.XXXXXX or 1740.XXXXXX. FSO personnel will populate the Ticket Number, CJ88 Settlement posting/value date and amount settled fields on the AUC-to-Plant template. They will set the CJ88 settlement posting/value date to the first of the month unless there was a previous settlement to that WBS. In that case, they will use the previous date. The FSO personnel will return the template to the submitter for completion of the template.
- D. After FSO transfers the costs, the regional finance office performs the following steps in the order listed. See RM D&S, *Depreciation and Amortization* ([FIN 07-23](#)) to determine the useful life.

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- (1) **New Asset.** The regional finance office uses ZASSETTRANSFER to transfer the costs from the temporary RA WBS asset and sub-assets to the new depreciable asset(s) with the appropriate asset class and accounting string using WBS beginning with RX, RP, or RR. The capitalization date of ZASSETTRANSFER must match capitalization date of the CJ88 capitalization date run by FSO.

- (2) **Additions and Betterments of Existing Assets.** The regional finance office performs the ZASSETTRANSFER to an existing asset as a new sub-asset. The ZASSETTRANSFER currently does not have the capability to transfer to an existing asset so additional steps are required until this functionality is available in FBMS.
 - (a) Use ZASSETTRANSFER to transfer the costs from the temporary asset with the RA WBS to a new depreciable asset with a WBS beginning with RX, RP, or RR. The capitalization date of ZASSETTRANSFER must match capitalization date of the CJ88 capitalization date run by FSO.
 - (b) Use ZASSETRETIRE to retire the new asset created in the previous step during the ZASSETTTRANSFER. The asset value dates of any ZASSETRETIRE transaction must also match the CJ88 capitalization dates. Since this transaction is within Reclamation, the trading partner is 001406. Enter disposal reason code 10T – transfer to another DOI Bureau.
 - (c) Use ABZON to create a new sub-asset. Use transaction code ZTD “Transfer in from DOI Bureau” and GL 5720.C0000. Since the transfer is within Reclamation, the trading partner is 001406. Use the appropriate useful life for addition/betterment.

- (3) **Replacements and Betterments by Replacement of an Existing Asset.** The regional finance office retires the asset being replaced using ZASSETRETIRE. The regional finance office then uses ZASSETTRANSFER to transfer the costs of the new asset from the temporary RA WBS asset and sub-assets to the new depreciable asset and sub-assets with the appropriate asset class and accounting string and a WBS beginning with RX, RP, or RR.
 - (a) **Main Asset -** The region retires the asset being replaced using ZASSETRETIRE. The asset value dates of any ZASSETRETIRE transaction must also match the CJ88 capitalization dates. The region then uses ZASSETTRANSFER to transfer the costs from the temporary RA WBS asset and sub-assets to the new depreciable asset and sub-assets with the appropriate asset class and accounting string and a WBS beginning with RX, RP, or RR. The capitalization date of ZASSETTRANSFER must match capitalization date of the CJ88 capitalization date run by FSO.

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- (b) Sub Asset - The region retires the asset being replaced using ZASSETRETIRE. The asset value dates of any ZASSETRETIRE transaction must also match the CJ88 capitalization dates. The region then uses ZASSETTRANSFER to transfer the costs from the temporary RA WBS asset and sub-assets to the new depreciable asset and sub-assets with an appropriate accounting string and a WBS beginning with RX, RP, or RR. The capitalization date of ZASSETTRANSFER must match capitalization date of the CJ88 capitalization date run by FSO. Regions then retire the new asset using ZASSETRETIRE and then use ABZON to create a new sub asset(s) for replacement/betterment with appropriate useful life. Enter disposal reason code 10T – transfer to another DOI bureau.
- (4) **Residual Costs in an RA WBS.** If the regional finance office has residual costs in an RA WBS more than three years after the initial transfer of the asset from AUC to plant, the regional finance office must request approval from CAT before transferring residual costs. See FIN 07-23 for additional information on the request for approval procedures. When transferring residual costs from AUC to plant, the regional finance office performs the ZASSETTRANSFER to an existing asset or sub-asset. The ZASSETTRANSFER currently does not have the capability to transfer to an existing asset so additional steps are required until this functionality is available in FBMS.
- (a) Use ZASSETTRANSFER to transfer the costs from the temporary asset with the RA WBS to a new depreciable asset with a WBS beginning with RX, RP, or RR. The capitalization date of ZASSETTRANSFER must match capitalization date of the CJ88 capitalization date run by FSO.
- (b) Use ZASSETRETIRE to retire the new asset created in the previous step during the ZASSETTRANSFER. The asset value dates of any ZASSETRETIRE transaction must also match the CJ88 capitalization dates. Since this transaction is within Reclamation, the trading partner is 001406. Enter disposal reason code 10T – transfer to another DOI bureau.
- (c) Use ABZON to post against an existing asset using transaction code ZTD “Transfer in from DOI Bureau” and GL 5720.C0000. The ABZON must post against an asset that is still depreciating. Since the transfer is within Reclamation, the trading partner is 001406.
- E. The regional finance office verifies that any main assets created during the transfer process also created building records.
- F. Immediately after the settlement process, the regional finance office will identify any zero value assets and temporary RA WBSs created through the capitalization process.

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The regional finance office will retire the identified zero value assets and close the temporary RA WBSs no longer necessary within one month of the settlement process.

- G. Suggested, but not required, practices:
- (1) When creating a temporary asset, enter user status 13 in the allocation tab for audit tracking. This allows the regional finance office to pull reports with or without the temporary assets.
 - (2) The regional finance office, with the concurrence of the project manager, should close the user status and the system status, if possible, when they no longer expect additional costs in the RA WBS.
11. **Deadline for Transfers.** The regional finance office must process the transfer of the costs from AUC within 30 days from the receipt of the appropriate signed documentation as noted below. During the third and fourth quarters, the regional finance office should make every attempt to process the transfer from AUC before the end of the quarter. The regional finance office must submit the Remedy tickets to BOR-Cost Controlling on or before the tenth business day of the last month of the quarter to allow time for processing.
- A. **Substantially Complete.** The regional finance office must process the transfer of the costs to plant within 30 days from the receipt of the O&M status memorandum.
 - B. **Temporary Suspension.** The regional finance office must process the transfer of the costs to CIA within 30 days from the receipt of the approved Request for Suspension for temporary suspension.
 - C. **Permanent Suspension.** The regional finance office must process the transfer of the costs to expense within 30 days from the receipt of the approved Request for Suspension for permanent suspension or in accordance with congressional legislation de-authorizing the construction activity.
 - D. **Residual Costs.** The regional finance office will transfer residual costs to plant at least quarterly. Reclamation will assume that August and September costs for construction activity previously moved to completed plant immaterial and are residual costs. The regional finance office must transfer these residual costs by the end of the next quarter. At its discretion, the regional finance office may process additional residual transfers after August 31.
12. **Transfer Documentation.** The regional finance office permanently retains the supporting documentation for transfers between AUC and plant, CIA, or expense (due to permanent

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suspension or de-authorization). Adequate documentation to support such transfers in the accounting and property records is essential. The region must attach the transfer authorization to the asset/sub-asset record in FBMS.

- A. **Transfer to Plant in Service.** The project manager, will complete the *Transfer to O&M Status Memorandum* (FAC 01-05, Appendix A) to start the transfer process. On receipt of the signed O&M status memorandum, the regional finance office will initiate the *Transfer to Plant in Service* form (Appendix D). The regional finance office will maintain both documents as supporting documentation for the accounting transactions.
- B. **Transfer to CIA (Temporary Suspension).** The project manager will prepare and submit a Request for Temporary Suspension in accordance with CMP TRMR-88. The regional finance office will not transfer costs from AUC to CIA until they receive the signed approval document. Maintain this memorandum as supporting documentation for the accounting transactions.
- C. **Transfer to Expense.**
 - (1) **Permanent Suspension.** The project manager will prepare and submit a Request for Permanent Suspension in accordance with CMP TRMR-88. The regional finance office will not transfer costs from AUC to Expense until they receive the signed approval document. Maintain this memorandum as supporting documentation for the accounting transactions.
 - (2) **Congressional De-authorization.** The regional finance office will maintain the Congressional legislation (an independent piece of legislation or in Reclamation's appropriation bill) de-authorizing the construction activity to support the accounting transactions.

13. **Coordination and Notification for Completed Transfers.**

- A. Once the regional finance office accomplishes a transfer to plant in the accounting records, they will route copies of the completed *Transfer to Plant in Service* form to the affected offices for notification purposes as applicable in each region. It is the regional finance office's responsibility to notify the regional property office and the project manager when the transfer to plant is complete.
- B. Ensure any necessary follow-up actions that may be required after the initial transfer are completed. Examples of potential follow-up actions include:
 - (1) cost adjustments;
 - (2) notification of repayment personnel;

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- (3) notification of regional economist; and
- (4) notification of customer, as a matter of regional practice.

14. **Related References.**

- A. [U.S. Treasury Standard General Ledger \(SGL\)](#)
- B. [18 CFR Chap. 1, Part 101, Subchapter C - Accounts, Federal Power Act](#)
- C. Department of the Interior – [Real Property and Financial Management Policy](#)
- D. [Replacements - Units, Service Lives, Factors, May 2006](#) (a joint publication of Reclamation, Western Area Power Administration, Bonneville Power Administration, and U.S. Army Corp of Engineers) (or the most current version, including Beta Testing versions)
- E. CMP TRMR-88, *Determination to Suspend an Authorized Construction Activity*
- F. [FIN 04-20](#), *Standard General Ledger (SGL) Chart of Accounts*
- G. [FIN 07-21](#), *Interest During Construction (IDC)*
- H. [FIN 07-22](#), *Plant Accounting - Land*
- I. [FIN 07-23](#) , *Depreciation & Amortization*
- J. [FIN 07-32](#), *Computer Software Costs*
- K. FIN TRMR-91, *Construction in Abeyance (CIA)* (formerly FIN 07-26)
- L. FIN TRMR-93, *General Property, Plant, and Equipment (G-PP&E)* (formerly FIN 07-20)

RECLAMATION MANUAL TRANSMITTAL SHEET

Effective Date: _____

Release No. _____

Ensure all employees needing this information are provided a copy of this release.

Reclamation Manual Release Number and Subject

Summary of Changes

NOTE: This Reclamation Manual release applies to all Reclamation employees. When an exclusive bargaining unit exists, changes to this release may be subject to the provisions of collective bargaining agreements.

Filing instructions

Remove Sheets

Insert Sheets

All Reclamation Manual releases are available at <http://www.usbr.gov/recman/>

Filed by: _____

Date: _____