Interest During Construction (IDC) for Advanced Disbursements to Non-Federal Entities Computation Spreadsheet Instructions

1. **General.** This Appendix pertains to the IDC computation on advanced funding provided to the non-Federal entity for extraordinary maintenance as authorized by Pub. L. 111-11. See Appendix A for IDC calculations on all other activities. After thoroughly researching the specifics of a given project and having determined the reimbursable functions, multipurpose allocation percentages, and applicable interest rates, prepare an IDC workbook. Figure 1 is a worksheet template for calculating daily IDC for the year(s) of disbursement. Figure 2 is a worksheet template for calculating the cumulative compounded annual IDC.

2. **Extraordinary Maintenance Disbursements to Non-Federal Entity, Pub. Law 111-11.** Bureau of Reclamation Manual Directives and Standards, *Extended Repayment of Extraordinary Maintenance Costs* (PEC 05-03) requires Reclamation to assess interest on the repayment amount as of the date of distribution through completion of repayment. Reclamation charges IDC on the amount disbursed until the construction is substantially complete. At that time, Reclamation begins to charge interest on investment until repayment is complete. Figure 1 calculates daily interest for the year(s) of disbursement(s). The spreadsheet transfers these calculations to Figure 2 which calculates the cumulative compounded annual IDC quarterly.

3. **Customizing Templates.** While the region may change the templates to meet their needs, the templates must contain:

   A. the fund,

   B. the functional area or work breakdown structure,

   C. the project feature,

   D. the IDC start date,

   E. the date of disbursements,

   F. total disbursements by fiscal year (FY),

   G. the amount of transfers to plant/repayment,

   H. the amount of IDC not transferred to plant/repayment status,

   I. the amount of IDC transferred to plant/repayment status,

   J. the reimbursable percentage,

   K. the annual IDC percentage rate, and

   L. footnotes of any significant changes each FY.

4. **Completion of Daily IDC in Year of Disbursement, Figure 1.** The first worksheet (figure 1) calculates the daily interest rate for the year(s) of disbursement(s). Only input data in Columns A, B, and D and cells C13 and F13.

   A. The columns and required input are as follows:

      (1) **Column A, Disbursement Date.** Enter the date of disbursement. The format must be in m/dd/yyyy format otherwise relevant formulas will not calculate correctly.

      (2) **Column B, Disbursement Amount.** Enter the entire amount disbursed to the non-Federal entity.

      (3) **Column C, Reimbursable Disbursements (Percentage).** Enter the reimbursable percentage in C13. The formula calculates the amount of the disbursement that is reimbursable and thus requires interest (disbursement amount (column B) times reimbursable percentage (C13)).

      (4) **Column D, Quarter/Year End Date.** For current FY disbursements, enter the last day of the current quarter. For previous FY, enter the last day of the FY of the disbursement (9/30/20xx).

      (5) **Column E, Number of Days Year of Disbursement.** The formula calculates the number of days from the disbursement to the end of the quarter or to the end of the FY of the disbursement (disbursement date (column D) minus quarter/year end date (column A)).

      (6) **Column F, IDC Year of Disbursement (Percentage Rate).** Enter the interest rate in column F13. The formula calculates the IDC from the date of disbursement until quarter or year end (reimbursable disbursements (column C) times the number of days (column E) times (the interest rate (cell F13) divided by 100) divided by 360 days).

      (7) **Column G, FY of Disbursement.** The spreadsheet calculates the FY based on the date of disbursement. The second worksheet utilizes this column to calculate compound interest on previous year but not current year IDC.

   B. For single purpose reimbursable projects, proceed as in (1) above but use 100 percent as the percentage for cell C13.

C. Figure 1.

FIGURE 1

FIRST YEAR OF DISBURSEMENT
COMPUTATION OF DAILY INTEREST DURING CONSTRUCTION

A	B	C	D	E	F	G
Disbursement Date (mm/dd/yyyy)	Disbursement Amount	Reimbursable Disbursement (Percentage) 50	Quarter/Year End Date (mm/dd/yyyy)	Number of Days Year of Disbursement	IDC Year of Disbursement (Percentage Rate) 5.101	FY of Disbursement
12/22/2020	50,000	25,000	9/30/2021	282	999	2021
10/15/2021	75,000	37,500	9/30/2022	350	1,860	2022
1/20/2022	250,000	125,000	9/30/2022	253	4,481	2022
3/30/2022	500,000	250,000	9/30/2022	184	6,518	2022
6/15/2022	100,000	50,000	9/30/2022	107	758	2022
11/24/2022	75,000	37,500	9/30/2023	310	1,647	2023
5/30/2023	500,000	250,000	9/30/2023	123	4,357	2023
2/4/2024	150,000	75,000	3/31/2024	56	595	2024
	0	0		0	0	
	0	0		0	0	
	0	0		0	0	
	0	0		0	0	
	0	0		0	0	
	0	0		0	0	
	0	0		0	0	
	0	0		0	0	
	0	0		0	0	
	0	0		0	0	
Total	1,700,000	850,000			21,215	

5. **Completion of the Cumulative Quarterly IDC Worksheet, Figure 2.** The upper left-hand corner of the second worksheet includes the fund, functional area, project feature, and the date the IDC started. Only input data in columns A, H, and K. The spreadsheet calculates all other fields via a formula in the cell.

A. The columns and required input are as follows:

(1) **Column A, Fiscal Year (FY).** Input the FY in yyyy format. The data must be in this format for remaining calculations to work correctly.

(2) **Column B, Total Disbursements by FY.** The formula sums the disbursements from the first worksheet with the corresponding FY (sums if the FY (column A of the second worksheet) equals the FY of disbursement (column G of the first worksheet)).

(3) **Column C, Reimbursable Disbursements by FY (Percentage).** Cell C18

retrieves the reimbursable percentage from cell C13 on the first worksheet. The formula calculates the reimbursable amount of the disbursements by FY (total disbursements by FY (column B) times reimbursable percentage (C18)).

(4) **Column D, IDC for FY of Disbursement(s).** The formula retrieves the daily interest calculated for the corresponding year of disbursement from the first worksheet (if the FY of disbursement (column G of the first worksheet) equals the FY (column A of the second worksheet), sums the IDC year of disbursement (column F in the first worksheet) and returns this figure in IDC for FY of disbursement (column D of the second worksheet)).

(5) **Column E, Total Cumulative Reimbursable Disbursements Not Transferred to Plant/Repayment.** The formula calculates the cumulative total reimbursable disbursements not transferred to plant/repayment for all accounting periods (sum of reimbursable disbursements by FY (column C) less the sum of disbursements transferred to plant/repayment (column L)).

(6) **Column F, Prior Year Cumulative Interest Not Transferred to Plant/Repayment.** The formula populates the cell with the total IDC not transferred to plant/repayment for the previous accounting period (previous period's cumulative IDC not transferred to plant/repayment (column N)).

(7) **Column G, Amount Subject to Interest, Excluding CY Disbursements.** The formula calculates the amount of disbursements and compounded IDC subject to interest excluding the current year (CY) disbursements (adds total cumulative reimbursable disbursements not transferred to plant/repayment (column E) plus prior year cumulative IDC not transferred to plant/repayment (column F) less reimbursable disbursements by FY (column C)).

(8) **Column H, Quarter Percentage.** Update the percentage to the applicable quarter. (i.e., 1st quarter (Qtr) is 25 percent, 2nd Qtr is 50 percent, etc.)

(9) **Column I, IDC Without CY Disbursement (Annual Percentage Rate).** The spreadsheet retrieves the interest rate in the first worksheet cell F15 and inputs it into cell I18 in the second worksheet. The formula calculates the compounded IDC on prior year disbursements. (Amount subject to interest excluding CY disbursement (column G) multiplied by quarter percentage (column H) multiplied by the IDC annual percentage rate (cell I18).)

(10) **Column J, Total Annual IDC Including CY Disbursement.** Column J provides the total amount of IDC for the year. It adds the daily IDC on the CY disbursement and the compounded IDC for prior year disbursements (IDC for FY of disbursement (column D) plus IDC without CY disbursement (column I).

(11) **Column K, Percentage of Assets Under Construction (AUC)/Disbursements to be Transferred to Plant/Repayment.** If applicable, input the percentage of

the disbursement to be transferred to plant or to repayment status. This column applies when the project feature involves different phases of assets becoming substantially complete and transferred to plant/repayment at different times throughout the construction activity. Use 100 percent if the entire construction project transfers to plant/repayment at once. If not applicable, enter zero or leave blank. (Note: Percentage of AUC/disbursements to be transferred to plant/repayment (column K) may be eliminated and the amounts entered directly into disbursements transferred to plant/repayment (column L) and IDC transferred to plant/reimbursement (column M) if you calculated the actual amount transferred to plant/repayment instead of a percentage.)

(12) **Column L, Disbursements Transferred to Plant/Repayment.** Calculates the amount of disbursements to be transferred to plant/repayment (total cumulative reimbursable disbursements not transferred to plant/repayment (column E) multiplied by percentage of AUC/disbursement to be transferred to plant/repayment (column K)). This calculation applies when the project feature involves different phases of assets becoming substantially complete and transferred to plant at different times throughout the construction activity. (Note: You may enter the amounts directly into column L if you calculated the actual amount transferred to plant/repayment instead of a percentage.)

(13) **Column M, IDC Transferred to Plant/Repayment Annual.** Calculates the amount of IDC to transfer to plant/repayment status (previous period's cumulative IDC not transferred to plant/repayment (column N) plus total CY annual IDC including CY disbursement (column J) multiplied by percentage of AUC/disbursement to be transferred to plant/repayment (column K)). This calculation applies when the project feature involves different phases of assets becoming substantially complete and transferred to plant/repayment at different times throughout the construction activity. (Note: You may enter the amounts directly into column M if you calculated the actual amount transferred to plant instead of a percentage.)

(14) **Column N, Cumulative IDC not Transferred to Plant/Repayment.** Calculates the cumulative IDC not transferred to plant/repayment (previous period's cumulative IDC not transferred to plant/repayment (column N) plus total annual IDC including CY disbursement (column J) less current IDC transferred to plant/repayment (column M)).

B. Checks.

(1) The sum of the first worksheet disbursement amount (column B) equals the sum of the second worksheet total disbursements by FY (column B).

(2) The sum of the first worksheet reimbursable disbursements (column C) equals the sum of the second worksheet reimbursable disbursements by FY (column C).

(3) The sum of the first worksheet IDC year of disbursement (Column F) equals the sum of the second worksheet IDC for FY of disbursements (column D).

C. Figure 2.

FIGURE 2

IDC COMPOUND INTEREST MASTER
COMPUTATION OF INTEREST DURING CONSTRUCTION
(Advanced Disbursements to Non-Federal Entity Authorized by Pub. L. 111-11)

Fund: xxxxxxxxxx
Functional Area: Rxxxxxxx.xxxxxx
Project Feature: XXXXXXXXX
IDC Start Date: 12/22/2020

A	B	C	D	E	F	G	H	I	J	K	L	M	N
Fiscal Year (FY) (YYYY)	Total Disbursements By FY	Reimbursable Disbursements By FY (Percentage) 50	IDC for FY of Disbursement(s)	Total Cumulative Reimbursable Disbursements Not Tfrd to Plant/Repayment	Prior Year Cumulative IDC Not Tfrd to Plant/ Repayment	Amount Subject to Interest Excluding CY Disbursement	Quarter Percentage	IDC Without CY Disbursement (Annual Percentage Rate) 5.101	Total Annual IDC Including CY Disbursement	Percentage of AUC/ Disbursement to be Trfd to Plant/ Repayment	Disbursements Tfrd to Plant/ Repayment Annual	IDC Trfrd to Plant/ Repayment Annual	Cumu IDC Trfr Pla Repay
2021	50,000	25,000	999	25,000	0	0	100.00%	0	999	0	0	0	
2022	925,000	462,500	13,617	487,500	999	25,999	100.00%	1,326	14,943	0	0	0	1
2023	575,000	287,500	6,004	775,000	15,942	503,442	100.00%	25,681	31,685	75	581,250	35,720	1
2024	150,000	75,000	595	268,750	11,907	205,657	100.00%	10,491	11,086	0	0	0	2
2025	0	0	0	268,750	22,993	291,743	25.00%	3,720	3,720	0	0	0	2
	0	0	0	0	0	0		0	0	0	0	0	
	0	0	0	0	0	0		0	0	0	0	0	
	0	0	0	0	0	0		0	0	0	0	0	
	0	0	0	0	0	0		0	0	0	0	0	
	0	0	0	0	0	0		0	0	0	0	0	
	0	0	0	0	0	0		0	0	0	0	0	
	0	0	0	0	0	0		0	0	0	0	0	
	0	0	0	0	0	0		0	0	0	0	0	
	0	0	0	0	0	0		0	0	0	0	0	
	0	0	0	0	0	0		0	0	0	0	0	
	0	0	0	0	0	0		0	0	0	0	0	
	0	0	0	0	0	0		0	0	0	0	0	
	0	0	0	0	0	0		0	0	0	0	0	
	0	0	0	0	0	0		0	0	0	0	0	
	0	0	0	0	0	0		0	0	0	0	0	
	0	0	0	0	0	0		0	0	0	0	0	
	0	0	0	0	0	0		0	0	0	0	0	
	0	0	0	0	0	0		0	0	0	0	0	
Totals	1,700,000	850,000	21,215						62,433		581,250	35,720	
Checks	ok	ok	ok										
Notes:													

6. **Transfers to Plant/Repayment Status.** When transfers to plant/repayment status occur, columns K through M allow for calculating the pro rata amount of IDC to be transferred and for calculating the pro rata amount of net disbursements to be subtracted from total disbursements.

   A. If the transfer occurred in the current FY but was effective as of the end of the prior FY, deduct the pro rata share of disbursements and IDC before calculating the current year's IDC.

   B. If the transfer is effective at the end of the current FY, determine the pro rata amounts after calculating IDC for the current fiscal period.

   C. If the transfer is effective in the middle of the current FY, add a second column to enable the calculation of IDC both before and after the transfer for the current FY.