

Reclamation Manual

Directives and Standards

Subject:	Assets Under Construction (AUC)
Purpose:	Establishes accounting requirements and procedures for recording AUC. The benefit of this Directive and Standard (D&S) is to provide specific accounting direction to the Bureau of Reclamation that is compliant with 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> ; FASAB Technical Release (TR 14 , <i>Implementation Guidance on the Accounting for Disposal of General Property, Plant, & Equipment</i> ; and Department of the Interior Acquisition, Assistance, and Asset Policy (DOI-AAAP) 0122, <i>Property, Plant, and Equipment – Capitalization Criteria</i>
Approving Official:	Director, Mission Support Organization
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 SFFAS 6. 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 and post-authorized/post-decisional investigation and development, the costs accumulate in AUC, also known as construction in progress (CIP). Once construction is substantially complete, the region transfers the costs from AUC to the appropriate completed asset account.
2. **Applicability.** This D&S applies to all Reclamation staff involved in the recording and monitoring of AUC. The requirements in this D&S do not apply to data processing software or land. Refer to Reclamation Manual (RM) D&S, *Computer Software Costs* ([FIN 07-32](#)) and RM D&S, *Land* ([FIN 07-22](#)) for requirements specific to these components of G-PP&E. Requirements in this D&S apply to assets constructed for another Federal entity but 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.** New, separate, physical assets or sub-assets that increase the capacity or operating efficiency of an existing asset.

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- B. Asset Under Construction or AUC (Also Known As Construction in Progress or CIP).** G-PP&E construction costs that meet the requirements for capitalization until the work is substantially complete, as defined in the project management plan (PMP).
- C. Authorized Project.** A statutorily defined assembly of features and supporting assets required to provide the benefit(s) authorized by Congress.
- D. Betterment.** 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. Capital Assets.** Capital assets include land, structures, equipment, and intellectual property (e.g., software) owned by the Federal Government that meet the capitalization criteria. Capital assets include not only the asset as initially acquired but also all capitalized additions, betterments, and replacements (see RM D&S *Depreciation and Amortization* ([FIN 07-23](#))). Capital assets include facilities for which Reclamation has transferred operations and maintenance responsibilities with Reclamation retaining the title but do not include facilities for which Reclamation has transferred title to a non-Federal entity.
- F. Construction Activity.** Any activity to rehabilitate, renovate, or replace existing assets or to develop new assets. Construction activities are performed by Reclamation staff (i.e., force account work or in-house labor) or accomplished through a construction contract or force account work and include the procurement of equipment and materials that are to become a fixed part of Reclamation's facilities.
- G. Construction in Abeyance (CIA).** Construction activities approved by Reclamation management, as outlined in Temporary RM Release (TRMR), *Determination to Suspend an Authorized Construction Activity* ([CMP TRMR-88](#)), to be identified as temporarily suspended.
- H. Cost Share.** The contributions (monetary, in-kind, or both) provided by non-Federal entities or funding partners including work performed by non-Federal operating entities. Cost share is sometimes known as matching or matching funds.
- I. Decision to Construct.** Management's decision to execute a construction activity.
- J. Feature.** An asset or group of individual assets that are interdependent and must function together to provide an authorized project purpose as defined in the PMP.
- K. Impairment.** A significant and permanent decline, in whole or in part, whether gradual or sudden, in the service utility of G-PP&E or expected service utility for AUC. 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, Reclamation would not expect the event or change in circumstances to occur during the useful life of the

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G-PP&E, or if expected, find it sufficiently predictable to be considered in estimating its useful life.

- L. **Independent Asset.** An asset that, by itself, provides a benefit to an authorized project; an asset that does not require another asset to be operated, used, or occupied.
- M. **Interdependent Assets.** The aggregation of multiple assets that are functionally or operationally dependent to provide authorized project benefits. All of the interdependent assets must function in order to deliver the designed benefit or perform the designed operation.
- N. **Interest during Construction (IDC).** Interest accumulated during the construction period. Reclamation adds this interest to the cost of the long-term asset. Refer to RM D&S, *Interest During Construction (IDC)* ([FIN 07-21](#)) for additional information.
- O. **Investigations and Development Costs.** 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.
- P. **Management.** Refers to the position delegated authority in the RM [Delegations of Authority](#) to carry out the laws that authorize Reclamation to proceed with a course of action. The first step in determining who has authority is to identify the authority that permits Reclamation to take an action and refer to the RM [Delegations of Authority](#) to determine if the Commissioner has re-delegated that authority.
- Q. **Program.** Long term, indefinite, authorized activities (e.g. Dam Safety Program, operation and maintenance programs, WaterSMART Program).
- R. **Project.** A temporary endeavor undertaken to create a unique product, service, or result. A project has a discrete and definable beginning and end. Not to be mistaken with an authorized project. For the purpose of this D&S, projects pertain to capitalized construction activities.
- S. **Project Management Plan or PMP.** A formal, approved document that defines how the project is executed, monitored, and controlled. It may be a summary or detailed and may be composed of one or more subsidiary management plans and other planning documents. See RM D&S, *Project Management* ([CMP 07-01](#)) for additional information.
- T. **Project Manager.** The person assigned by a director (or by a manager with delegated authority from the director) to achieve project objectives and deliver a project on schedule, within budget, and to the appropriate scope.

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- U. **Replacement.** The construction or installation of G-PP&E to replace existing property. The new replacement asset may or may not increase the capacity, efficiency, or useful life and thus may or may not be capitalized.
 - V. **Residual Cost.** Any costs Reclamation processes to complete the construction of an asset after the initial transfer of the asset from AUC to the appropriate completed asset account.
 - W. **Substantial Completion.** Management's determination that an independent or interdependent asset is sufficiently complete, in accordance with the criteria in a PMP, for Reclamation to use, operate, occupy or otherwise place the asset into service for its intended purpose. Substantial completion in connection with the project management of a construction activity is separate and distinct from the substantial completion of a construction contract, which is defined in the construction contract and determined by the contracting officer. In addition, the substantial completion of an authorized project is defined in the repayment contract for the authorized project.
 - X. **Useful Life.** The normal operating life of an asset in terms of utility to the owner.
4. **Responsibilities.**
- A. **Regional Finance Office (RFO) Personnel.** In addition to the responsibilities in RM D&S, *Completion of a Construction Activity* ([FAC 01-05](#)), RFO personnel are responsible for:
 - (1) regular and routine collaboration and communication with the project managers;
 - (2) coordinating and analyzing the AUC quarterly review;
 - (3) reviewing the quarterly status of construction activity in AUC reported by the project manager;
 - (4) assisting the project manager in the determination of when costs should transfer out of AUC;
 - (5) processing the appropriate transfer transactions in the Financial and Business Management System (FBMS) within 45 calendar days from the receipt of the approved substantial completion concurrence documentation or suspension approval memorandum or within 90 calendar days after the asset is operated, used, or occupied, whichever occurs first;
 - (6) verifying that any main asset record created during the transfer process also created the appropriate real estate object (REO);

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- (7) obtaining the approval from the Labor, Controlling Objects/Project Systems (CO/PS), and Property Accounting Team before transferring any residual cost if the cost occurs more than 3 years after the original AUC transfer;
 - (8) posting the non-Federal entity's cost share in FBMS;
 - (9) analyzing work breakdown structures (WBS) with the first two digits of RA, used for the AUC assets, and closing if no longer necessary; and
 - (10) retiring any assets with a value of zero (zero value assets) created during the AUC transfer to completed asset account that are no longer necessary.
- B. Project Managers.** In addition to the responsibilities in [CMP 07-01](#) and [FAC 01-05](#), project managers are responsible for:
- (1) regular and routine collaboration and communication with the RFO;
 - (2) completing portions of the quarterly AUC analysis form that documents the current status of the construction activity;
 - (3) ensuring the cost share data from the non-Federal entity is provided to the regional finance office for posting into FBMS; and
 - (4) preparing the Request for Suspension of Construction Activity, when applicable, in accordance with [CMP TRMR-88](#).
- C. Finance and Accounting Division Labor, CO/PS, and Property Accounting Team.** The Labor, CO/PS, and Property Accounting Team is responsible for:
- (1) developing and maintaining FBMS real property accounting training and standard operating procedures;
 - (2) correcting and resolving AUC and residual AUC FBMS entry errors with the appropriate RFO;
 - (3) reviewing and analyzing regional quarterly AUC analysis reports for accuracy and completeness to support the timely and accurate transfers to the appropriate asset account;
 - (4) entering and updating the estimated completion dates for each WBS in FBMS for construction activities with an estimated total cost over \$10 million quarterly, based on the dates provided on the regional quarterly AUC analysis reports;
 - (5) monitoring resolution of AUC WBS settlement errors;
 - (6) monitoring and coordinating AUC transfers to other bureaus and agencies with the RFO;

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- (7) running trial balance reports to ensure no RA WBS with a balance is recorded in the plant or building general ledgers (GL);
 - (8) preparing a monthly journal voucher to post expenses in reimbursable WBSs beginning with RR, RP, or RQ with an AUC indicator to clone WBSs beginning with RA; and
 - (9) reviewing and approving the RFO's request to transfer residual costs to the completed asset account transfer if the costs occur more than 3 years after the original AUC transfer.
5. **Capitalization and Useful Life.** Reclamation records capitalized G-PP&E at cost. Refer to RM D&S, *General Property, Plant, and Equipment (G-PP&E)* ([FIN 07-20](#)) and the capitalization flowchart in Appendix A of this D&S for additional information. Reclamation will use the [Federal Replacements Units, Service Lives, Factors](#) (also known as the Replacement Book or Blue Book) to assist in determining the unit of property or unit of maintenance and to identify the useful life of an asset. The region retains documentation to support the determination of the useful life. Refer to [FIN 07-23](#) for additional information on useful life.
6. **Cost Share Data.**
- A. The total cost of an asset includes the non-Federal entity's share of both cash and the value of services in kind provided by the non-Federal entity, including work performed by non-Federal operating entities. The project manager will provide data on any cost share provided by the non-Federal entity to the RFO for review and posting to FBMS as required by generally accepted accounting principles, at least annually or in accordance with the cost share agreement, whichever is more frequent (i.e., quarterly, semi-annually, upon construction activity completion, etc.). The RFO will record the non-Federal entity's cost share that meet Reclamation's capitalization criteria.
 - B. The project manager is not required to provide nor is the RFO required to record cost share provided by the non-Federal entity that FBMS captures elsewhere, such as:
 - (1) repayments;
 - (2) reimbursable agreements;
 - (3) advances (e.g. advances received for operation and maintenance payments);
 - (4) revolving funds; and
 - (5) other Federal agencies' share captured through inter-agency agreements.
7. **IDC.** Reclamation capitalizes IDC as part of the cost of the asset. Refer to ([FIN 07-21](#)) for requirements on the initiation, computation, and discontinuance of IDC.

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8. **Investigation and Development Costs.**
- A. Reclamation records post-authorization (i.e., after Congress authorizes construction) or post-decisional investigations and development costs in GL 1720.CIP00, *Construction-in-Progress*, using plant account 00192. 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.
- B. Reclamation records pre-authorization or pre-decisional investigations and development costs in the appropriate expense account as a current period cost. Congressionally authorized feasibility studies are considered pre-authorization investigations. Reclamation will also expense investigations and development costs not expected to result in the construction of an asset.
9. **WBS.** The region must establish the WBS used to capture the AUC costs with the appropriate construction/plant accounts in the first five digits after the second period of the WBS, also known as the job number. Refer to Appendix B for a list of the construction/plant accounts. Reclamation will follow the guidance in RM D&S, *Master Data and General Ledger (GL) Chart of Accounts (FIN 04-20)* and the WBS Element Handbook (FBMS Operations Reference site, Master Data, WBS Requests) when creating a WBS. The region retains documentation to support establishing a capitalized WBS. The support documentation must include:
- A. Reclamation management's official decision to construct. See [CMP 07-01](#) for additional information and exceptions to this requirement.
 - B. Evidence of ownership by a Federal agency.
 - C. Support for determination to capitalize the asset (meets the capitalization criteria).
10. **FBMS Procedures for Recording Costs.** Reclamation uses GL 1720.CIP00 to capture ongoing construction costs incurred for capitalized new construction, replacements, betterments, or additions for federally owned or held in trust G-PP&E construction activities. Reclamation initially records all of these costs in expense GLs 6100.xxxxx through 6850.00000 which then settle to GL 1720.CIP00 when posted to an RA WBS with a settlement rule. Reclamation begins gathering costs in GL 1720.CIP00 once granted

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construction authorization (post-authorization) or upon the official decision to construct (post-decisional). (See [CMP 07-01](#) for requirements to document the decision to construct.) The AUC process consists of the following steps:

- A. For capitalized new assets, replacements, and betterments by replacement, if a functional area (project) does not already exist, the regional office creates an AUC FBMS project in FBMS before the creation of the WBS element. For capitalized additions and betterments of existing assets, the region must create the WBS element against an existing FBMS project. The creation of the RA WBS element automatically creates an AUC asset shell in the 8000 series number. Construction activities using non-reimbursable (appropriated/Federal funds) use an RA type WBS. For reimbursable funded (using non-appropriated/non-Federal funds) AUCs with a WBS beginning with RR, RP, or RQ, the region ensures the bureau specific field in the WBS contains "AUC", and creates a "clone" RA WBS element. Refer to the WBS Element Handbook when establishing WBSs.
- B. Expenses such as labor, materials, supplies, etc. post to the WBS in GL 6100.xxxxx through 6850.00000.
- C. The Business Integration Office has a nightly job that runs the FBMS program RA_CREATE_ASSET_FM. This program automatically creates sub-assets on multi-funded RA WBS element posted construction costs based on the change in functional area and fund.
- D. FBMS settles the expenses from the WBS element(s) to the AUC asset and sub-assets nightly through the CJ8G settlement program. The GLs for the settlement are 1720.CIP00 and 6610.00000, *Cost Capitalization Offset*.
- E. For reimbursable agreement AUC costs, the Labor, CO/PS, and Property Accounting Team submits a journal voucher involving GL 6100.312Z0, *Non-capitalized - Transfers* in the RA WBS and in the RR, RP, or RQ WBS monthly to allow settlement of the reimbursable construction activity. FBMS then settles the costs as in Paragraph D.
- F. If a WBS for a reimbursable agreement with AUC was created without the AUC indicator and costs were incurred in prior months, the RFO records a journal voucher and notifies the Labor, CO/PS, and Property Accounting Team.

11. Quarterly AUC Analysis.

- A. RFOs are responsible for coordinating the review of the status of **all** construction activities accounted for in the GL 1720.CIP00 at least quarterly. They must reconcile the AUC form(s) to the balance in GL 1720.CIP00 to ensure completeness. They will coordinate with the appropriate project managers and other regional personnel to facilitate this analysis. See the instructions tab of Appendix C for additional information. The purpose of the analysis is to identify if construction activities:

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- (1) have active construction activity and still belong in AUC;
 - (2) have met the criteria for substantial completion and the project manager is facilitating the approval of the substantial completion concurrence documentation (refer to [FAC 01-05](#) for additional information);
 - (3) have met the [CMP TRMR-88](#) criteria to temporarily suspend construction activity and the project manager is requesting management's approval to transfer to CIA (refer to RM D&S, *Construction in Abeyance (CIA) and Impaired Assets (FIN 07-26)*) 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;
 - (5) have been determined to be moved to expense (e.g., the study or investigation will not be pursued further and there is no utility in the costs); or
 - (6) have residual costs to transfer to the appropriate completed asset account(s).
- B. The regions will use the *Assets Under Construction Analysis Form* (Appendix C) to facilitate the quarterly analysis. The RFO prepares the form and forwards it to the appropriate project managers. See the instruction tab in Appendix C for explanations and assignment of each field. The regions may add additional columns to the form provided they do not modify the existing 12 columns (see note in Appendix C). They may add additional GLs such as 1720.CIA00, *Construction in Abeyance* and 6900.xxxxx, to address regional needs as long as others may easily reconcile GL 1720.CIP00. They will use footnotes and/or the comments column to provide additional information when needed.
- C. The project manager updates and concurs with the information pertaining to their construction activities by signing the form, or sending an explicit email indicating agreement, even if the RFO's review is a consolidated form. The project managers will use the form to provide:
- (1) information regarding who holds the title of the asset once construction is complete;
 - (2) Reclamation's estimated total cost of the construction activity;
 - (3) the estimated date of when the next stage of construction, construction activity, or portion of construction activity will meet the substantially complete criteria;
 - (4) the estimated completion date for the entire construction activity;
 - (5) the status of the construction activity;

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- (6) an estimated date for the receipt of the approved substantial completion concurrence documentation for substantially completed construction activities, when applicable;
 - (7) an estimated date for the approval of the Request for Suspension for temporarily suspended construction activities, when applicable; and
 - (8) any other pertinent information.
- D. The RFO analyzes the completed quarterly AUC analysis forms to assist in ensuring the timely receipt of the approved substantial completion concurrence documentation or the signed Request for Suspension. At a minimum the RFO will:
- (1) pay close attention to construction activities where current year costs are less than 10 percent of the total-to-date AUC costs as this is a possible indication that the construction activity may be substantially complete or construction may have halted;
 - (2) monitor the projects with the estimated completion dates nearing completion;
 - (3) monitor the projects annotated with substantially complete and CIA statuses;
 - (4) question anomalies such as activities past the estimated completion date;
 - (5) document their actions and/or the responses by email or updating the comments column; and
 - (6) follow up with the project manager if the approvals are not received.
- E. The RFO will coordinate with the project manager to ensure receipt of the appropriate transfer documentation when determining to transfer costs to completed asset accounts, CIA, or expense. The project manager initiates the substantial completion concurrence documentation in accordance with [FAC 01-05](#) or the Request for Suspension in accordance with [CMP TRMR-88](#). The project manager must obtain the appropriate approvals and provide the completed documentation to the RFO within 45 calendar days after the asset is operated, used, or occupied. See Paragraph 15 for deadline requirements. The RFO maintains the approved documents to support the associated accounting transactions. Outstanding transactions such as pending claims or litigation, contract completion, or minor termination work must not delay a transfer out of AUC.
- F. The costs actually transferred from AUC are the costs as of the date of the transfer. The costs listed on the quarterly AUC analysis form are as of the date the RFO retrieved the information. Additional activity will likely occur between the date of the analysis and the date of the transfer causing the amounts to differ.

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12. **Determining Status.** Costs remain in the GL 1720.CIP00 account until the RFO receives the appropriate approvals to classify the construction activity as substantially complete, temporarily suspended, or permanently suspended.
- A. **Substantially Complete.** The regional director or their delegated designee approves the project manager's recommendation of when the construction activity has met the criteria of substantial completion as defined in the PMP. In accordance with [FAC 01-05](#), the project managers will provide the approved substantial completion concurrence documentation to the RFO within 45 calendar days after the asset being used, operated, or occupied. See Paragraph 15 for deadline requirements. Substantial completion is determined by the criteria in the PMP, not by contract completion. Minor activities to satisfy check lists, testing of an asset, etc., do not preclude a construction activity from meeting the criteria for substantial completion. Some indications that the construction activity may be near substantial completion and the project manager must consult the criteria in the PMP are:
- (1) Reclamation, or another Federal agency, is ready to place the independent or interdependent asset(s) in service or when a portion of an asset is being modified, that portion is ready for use, operation, or occupation. For example, in Safety of Dam construction, the construction activity is considered substantially complete when the risk reduction verification is complete.
 - (2) Current year construction activity costs are less than 10 percent of the total-to-date AUC costs.
 - (3) The total cost of the construction activity is approaching its budget ceiling.
- B. **Temporarily Suspended.** Management determines the activity is temporarily suspended which authorizes the transfer of cost to CIA in accordance with [CMP TRMR-88](#). Reclamation uses GL 1720.CIA00 to report costs incurred for construction activities that have been temporarily suspended. Refer to [FIN 07-26](#) for additional information.
- C. **Permanently Suspended.** Management determines the activity is permanently suspended which authorizes the transfer of costs to the appropriate loss or expense accounts in accordance with [CMP TRMR-88](#). Reclamation records the loss or expense of capitalized costs incurred for the de-authorized construction activity in the period of de-authorization. Refer to [FIN 07-26](#) for additional information.
13. **Transfer AUC to the Completed Asset Account.** Upon receipt of the regional director's or their designee's concurrence that a construction activity is substantially complete, the RFO will move the costs (including the non-Federal partner's cost) from AUC to the appropriate asset account (e.g. GL 1730.xxxxx, *Buildings* or GL 1740.xxxxx, *Other Structures and Facilities*). See Paragraph 15 for deadline requirements. Refer to [FAC 01-05](#) for the requirements to classify a construction activity as substantially complete. If Reclamation constructs the asset for another Federal agency, the RFO transfers the asset

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from AUC to the appropriate asset account and coordinates with the receiving agency to transfer the asset and associated costs. Some items to note when transferring from AUC to the completed asset account:

- A. When creating temporary assets in FBMS, the RFO must use one of the following asset classes to prevent the automatic creation of REOs from occurring with the temporary asset:
 - (1) 56CAC323, *CAP Build exist REO* – GL 1730.xxxxx, capitalized building for existing REO;
 - (2) 56CAD322, *CAP Reclam exist REO* – GL 1740.xxxxx, capitalized dams and improvements for existing Reclamation REO; or
 - (3) 56CAZ323 *CAP Reclam exist REO* – GL 1740.xxxxx capitalized Reclamation capital structures and non-building.
- B. For no year funds, the fund of the new asset must be XXXxxxxxxx (e.g. if the fund of the AUC was 18XR0680A1, the new asset must have a fund of XXXR0680A1).
- C. The RFO verifies that any main asset record created during the transfer process also created the appropriate REO.
- D. The RFO will review any zero value assets created through the capitalization process and will retire the identified zero value assets that are no longer necessary.

14. Residual Transfers.

- A. Prior to November 6, 2015, Reclamation settled residual AUC costs directly to the completed asset account using a residual cost element WBS. 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 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.
- B. Residual costs that occur more than 3 years after the original AUC to the completed asset account transfer require the Labor, CO/PS, and Property Accounting Team's approval to confirm the activity is residual activity and not a new construction activity or maintenance. The RFO, in conjunction with program personnel, will request approval via email. The Labor, CO/PS, and Property Accounting Team will coordinate discussions with program personnel, finance personnel, Policy and Administration, and CAT as needed. The request must contain the circumstances surrounding the residual including:
 - (1) month and year of the original asset transfer;

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- (2) dollar amount of the current residual;
- (3) estimate of future residual costs;
- (4) detailed description of the activity or activities causing the residual costs;
- (5) expected completion date of the residual activities;
- (6) contracts or PMP pertaining to the residual activities; and
- (7) description of why the activities are being performed three years after the original transfer.

15. **Deadline for Transfers.**

- A. The RFO must process the transfer of the costs from AUC within 45 calendar days from the receipt of the approved substantial completion concurrence documentation or within 90 calendar days after the asset is operated, used, or occupied whichever occurs first. During the third and fourth quarters, the RFO must reasonably attempt to process the transfer from AUC before the end of the quarter. In the first, second, and third quarter, the RFO 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. In fourth quarter, the RFO must submit the Remedy ticket on or before the tenth business day of August. If unexpected transfers must occur after the 10th business day, the RFO will coordinate settlements with the Labor, CO/PS, and Property Accounting Team. The regional office must ensure all transfers are complete within 30 days before the end of the fiscal year in which the asset is operated, used, or occupied in accordance with DOI AAAP-0122.
- B. The RFO will transfer accumulated residual costs totaling \$10,000 or more to the completed asset account at least quarterly. In fourth quarter they will transfer all residual costs, including residuals under \$10,000, by August 31. Reclamation will assume that residual August and September costs for construction activity previously moved to the completed asset account(s) are immaterial. At its discretion, the RFO may process additional residual transfers after August 31 in coordination with the Labor, CO/PS, and Property Accounting Team.
- C. When transferring completed assets to another agency or bureau, the RFO will coordinate with the receiving agency to transfer the assets and associated costs within 45 calendar days from the receipt of the approved substantial completion concurrence documentation. If they are unable to complete the transfer to the other agency or bureau within the 45 calendar days, the RFO will contact the Labor, CO/PS, and Property Accounting Team for assistance.

16. **Coordination and Documentation.** The project manager obtains the regional director’s, or their delegated designee’s, approval of the substantial completion concurrence

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documentation. Copies of the approved substantial completion concurrence documentation are forwarded to all necessary parties as identified in [FAC 01-05](#) to ensure completion of any follow-up actions such as cost adjustments, updating FBMS property attributes, etc. The RFO permanently retains the supporting documentation for transfers between AUC and the completed asset account, CIA, or expense.

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

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

Filed by: _____

Date: _____