

Reclamation Manual

Directives and Standards

TEMPORARY RELEASE

(Expires 11/11/2016)

Glossary

1. **Purpose.** The purpose of this appendix is to ensure that uniform definitions are used 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 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.** Typically, this is a derived figure and it applies only to the Irrigation and Commercial Power columns.
 - C. **Capitalized Moveable Equipment.** The same as Standard General Ledger (SGL) Account 1750 – Equipment. The capitalized cost of tangible equipment items of a durable nature used by the agency in providing goods and services (excluding computer software).
 - D. **Construction in Abeyance (SGL 172B).** Includes programs or features that have been transferred from Construction-in-Progress when (1) construction on the program or feature either may, or may not be substantially complete but it is not providing benefits or services for the intended purpose(s); (2) construction has been suspended; and (3) it is unlikely that construction will resume, or it is unlikely that the program or feature will begin delivering benefits or services for the intended purposes(s), within 3 years (unless justification for a longer period can be provided).
 - E. **Construction-in-Progress (SGL 1720).**
 - (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 will be accountable. Upon completion, these costs will be transferred to the proper capital asset account as the acquisition cost of the item.
 - (2) PP&E construction, replacement, or additions that meet the requirements for capitalization are recorded in this SGL until the work is substantially complete. Once a feature is declared substantially complete, the costs are moved to the appropriate construction/plant accounts. The costs of construction include both

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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) Directives and Standards (D&S), *Plant Accounting – Construction in Progress (CIP)* ([FIN 07-24](#)) for examples of cost items associated with the construction of an asset that are typically recorded in this SGL and for additional information about CIP. Refer to [FIN 07-24, Appendix A](#), for a complete list of construction/plant accounts.

- F. **Corollary Costs – Western.** This item is unique to the Pick-Sloan Missouri-Basin Project and the 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.
- G. **Credits.**
- (1) The term “incidental credits” is used to identify situations whereby 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) **Other Credits.** The phrases “Other Credits” as used in this D&S refers to a subdivision of the Repayments group. It is not intended to define a specific credit. Rather it identifies where specific types of credits are reported in the SPCCR. Some types of credits are defined elsewhere in this Glossary.
 - (3) A “credit” can originate as the result of project-specific congressional legislation. Congress has passed project-specific legislation whereby a beneficiary received a credit to offset their entire repayment responsibility as long as they provided 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.
- H. **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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- I. **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. The authorizations associated with Divisions are as diverse as our projects.
- J. **Estimate to Complete.** This is a calculated amount. It is the Total Estimated Cost minus Total Construction Cost to Date.
- K. **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 on an authorized project purpose for the specific project or feature. The majority of costs allocated to this project purpose are non-reimbursable.
- L. **Future Repayment Contracts.** Amounts that are not under contract for repayment, but are expected to eventually be under contract.
- M. **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 the crediting of incidental revenues. [PEC 03-01](#) provides specific revenue reporting requirements.
- N. **Land and Land Rights (SGL 1711).** The identifiable cost of land and land rights of unlimited duration acquired for, or in connection with, plant, property, and equipment used in general operations, including permanent improvements. Stewardship land (national park or forest and land in public domain) is excluded as are materials beneath or above the surface and outer-continental shelf resources. **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.
- O. **Miscellaneous Income and Non-operating Income.** Income or revenue collected for activities other than operation of the project. Generally, these are for: easements and rights of way; leases of land and minerals (oil and gas); commercial leases (i.e., for cellular communications towers), etc.

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- P. **Multi-purpose (MP).** This project purpose designation is generally used when a project or feature provides benefits to more than one authorized project purpose. Costs allocated to the MP project purpose have to be allocated to one or more of Reclamation's authorized project purposes.
- Q. **MP Features.** Features that benefit two or more project purposes. MP reimbursable costs are allocated to the benefiting project purposes for repayment calculations.
- R. **M&I.** M&I is one of Reclamation's authorized project purpose but it is not an authorized purpose for all projects. The costs allocated to this project purpose are usually reimbursable and are usually subject to an annual interest assessment on the unpaid capital investment balance.
- S. **M&I Water Revenues.** Revenues collected from the sale of M&I water.
- T. **Non-reimbursable Expenses.** Non-reimbursable expenses are those costs that either Congress or an administrative determination has determined to be exempt from repayment. Costs that project beneficiaries do not have to repay to the Federal government.
- U. **Plant in Service (SGL 1740).** 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 SGL are: dams, canals, power plants, pumping stations, reservoirs, communication facilities, poles and fixtures, and waterways.
- V. **Power Repayment Study.** A report prepared by the Power Marketing Administrations to document and display power system costs and the amounts paid or due from the power customers. This document is used to assist in establishing power rates.
- W. **Project Purpose.** Reclamation law authorizes Reclamation to expend funds to construct projects and project features for project purposes associated with our mission. Reclamation is required to recover reimbursable costs from the individuals, districts, or other entities that benefit directly from our project's operations. The project purposes that Reclamation is authorized to provide include such things as deliver irrigation and M&I water, generate power, flood control, navigation, recreation, salinity control, etc.
- X. **Project Use Power (PUP).** PUP or project use energy refers to power that is used by one of Reclamation's projects or beneficiaries to accomplish the objectives of the project, i.e., distribute water to water users, operate the lights and heat, etc., of the buildings at Reclamation's administrative or headquarters building, recreation sites, or

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F&WL refuge facilities. In cases where the project purpose is reimbursable, the cost of the PUP is included as a cost to the project beneficiaries. Power transmission facilities are used to deliver the power to the project features and the transmission costs are considered part of the PUP costs.

- Y. **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, (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.”
- Z. **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), providing for the maintenance, including replacements, of irrigation systems on projects governed by Federal Reclamation laws, which cannot be financed currently but which the organizations concerned obligated themselves to return in installments. The rehabilitation of features on previously non-Federal projects is also included in the R&B program under specific authorizations.
- AA. **Safety of Dams.** Congress authorized Reclamation to receive and expend appropriations to perform assessments on our dams to determine if there are structural deficiencies that could result in damage to people or property. If 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 and the costs are estimated to exceed a specified amount, 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.
- BB. **Section 8 Costs.** 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”.
- CC. **Total Anticipated Future Repayment – Irrigation.** This amount should include all un-matured water contract balances. It should also include any repayment that is allocated to undistributed water allocations.
- DD. **Total Construction Cost to Date.** This amount reflects total capitalized costs reported in the automated financial system through the reporting year. This would include all costs capitalized recorded in SGL accounts that begin with 17, 18, or 19.
- EE. **Total Estimated Cost.** This cost can be obtained from the Budget Justification Narratives. The Budget Justification Notes show budgeted items.

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- FF. **Uncontracted Water.** Project water with allocated costs but with no contract providing for the repayment of these costs.
- GG. **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 can be a stand-alone-project, a sub-division of a Division, or just a sub-division of a large integrated or basin-wide project. A Unit can be further subdivided into Blocks. The authorizations associated with Units are as diverse as our projects.
- HH. **Un-matured Contract.** The amount of any repayment contract that remains to be repaid.