

INDIAN AFFAIRS MANUAL

Part 27

Financial Management

Chapter 10

Recording Manual Acquisition of Capitalized Assets in FBMS
(ABZON Transaction in FBMS)

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- 1.1 Purpose.** This policy clarifies and standardizes the process for manually recording acquisition of capitalized assets in the Financial Business and Management System (FBMS). This policy applies to all assets that are required to be capitalized and recorded using the Acquisition with Automatic Offsetting Entry (ABZON) transactions in FBMS.
- 1.2 Scope.** This policy applies to all Indian Affairs (IA) headquarters, field, and program staff under the authority of the Assistant Secretary-Indian Affairs (AS-IA), including the Bureau of Indian Affairs (BIA) and the Bureau of Indian Education (BIE).
- 1.3 Policy.** IA must adhere to standard FBMS processes and procedures for the capitalization of acquired assets and property received outside of the acquisition process.
- 1.4 Authority.**

A. Statutes and Regulations.

- 1) Title 40 U.S.C., Federal Property and Administrative Services Act, as amended
- 2) 41 CFR 101, Federal Property Management Regulations

B. Guidance.

- 1) Federal Accounting Standards Advisory Board (FASAB) Statements of Federal Financial Accounting Standards (SFFAS)
 - SFFAS No. 1, Accounting for Selected Assets and Liabilities
 - SFFAS No. 6, Accounting for Property, Plant, and Equipment
- 2) Federal Accounting Standards Advisory Board (FASAB) Federal Financial Accounting Technical Release 15, Implementation Guidance for General Property, Plant, and Equipment Cost Accumulation, Assignment and Allocation
- 3) 19 Departmental Manual (DM) 400-412, Property Management
- 4) 23 Indian Affairs Manual (IAM) 2, Property Accountability

1.5 Responsibilities.

A. Deputy Assistant Secretary – Management (DAS-M) is responsible for establishing Financial Management and Property policies, and internal controls.

B. Directors, BIA and BIE are responsible for ensuring IA processes and resources are in

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place to facilitate cooperation and responsiveness to meet property requirements.

- C. **Chief Financial Officer (CFO)** is responsible for the management, administration, and oversight of IA financial policies and procedures.
- D. **Bureau Property Officer and Division of Property Management (DPM)** are responsible for developing and ensuring compliance with IA property policies.
- E. **Chief, Division of Financial Reporting and Analysis** is responsible for developing and ensuring procedures are conducted in compliance with IA financial policies.
- F. **Regional Property Officers** are responsible for ensuring that property personnel at the Regional or Agency level adhere to IA property policies, including:
- conducting proper research in FBMS to validate that the asset record was not previously created, including researching records on the incomplete and active inventory reports;
 - ensuring an appropriate capitalization determination is made prior to completing an ABZON transaction;
 - ensuring all transactions requiring an ABZON transaction for capitalized assets are sent to the DPM for review and not processed by Regional Property staff;
 - submitting a completed form, with supporting documentation, to DPM for review of all transactions requiring an ABZON transaction for capitalized assets within 10 business days after asset ownership is established;
 - providing additional information to DPM or the CFO Asset Accountants within five (5) business days of the request; and
 - completing the encoding process on the asset, fleet, building, structure, or land record within five (5) business days of the ABZON transaction completion date.
- G. **Division of Property Management (DPM) Officers** are responsible for:
- fulfilling all requirements of Section 1.5 F when a request originates at the Central Office level;
 - reviewing the submitted form and support documentation for clarity and sufficiency within five (5) business days of receiving the form;
 - requesting additional information within five (5) business days if the request is incomplete; and

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- approving and routing completed forms to the CFO Asset Accountants within five (5) business days of receipt.

H. FBMS Users with the “Asset Accountant” role under the Division of Financial Reporting and Analysis are responsible for:

- reviewing submitted request forms to ensure capitalization requirements are met;
- ensuring the recognized cost in the request includes all costs required for proper asset capitalization by utilizing the appropriate estimated cost methods (e.g., net book value, fair market value, like assets);
- confirming the provided transaction type is valid based on the description of how the asset was acquired;
- requesting additional information within five (5) business days if the request is incomplete;
- completing the ABZON or sending the form back to DPM for additional information within five (5) business days after DPM approval;
- recording any unplanned depreciation for assets received in a prior fiscal year; and
- providing the submitting Property Office (Regional Property Office or DPM) with the Asset Master Record number created from the ABZON.

1.6 Process and Procedures.

The ABZON process in FBMS is used to manually record an asset acquisition that does not follow the standard procurement process through Prism or the Asset Under Construction (AUC) process. The transaction is primarily used for found assets, assets that have transferred to IA from other Department of the Interior bureaus or other Federal agencies, and assets in which IA has assumed ownership from Indian tribes. While an ABZON is predominantly used for these situations, these examples are mentioned merely for illustrative purposes. All circumstances that would require the use of an ABZON transaction for capitalized assets, including those not mentioned above, fall under the authority of this policy.

Regional Property Officers and DPM Officers follow the same procedures and are synonymous in the ABZON process. DPM Officers are responsible for submitting Central Office requests while Regional Property Officers are responsible for requests at the regional and agency level. The title Property Officers refers to both Regional Property Officers and DPM Officers as defined in the Roles and Responsibilities section.

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The requirements for establishing ownership of an asset remain unchanged with the release of this policy. This includes the initial determination of all fields to be used in the ABZON, the User Product Code (UPC), asset class, ownership date, and cost to be recorded in the transaction. Property Officers remain responsible for this information and must follow existing policies and procedures.

All ABZON transactions for capitalized assets will be completed by Central Office Asset Accountants. This includes personal and real property assets, and assets that are recorded at a value below the capitalization threshold for their asset type, but that meet other capitalization requirements, and therefore must be recorded using a capitalized asset class in FBMS. For example, assets transferred from another Federal agency that were capitalized prior to transfer, but have a net book value below the capitalization threshold at the time of transfer, would require an ABZON transaction.

If the Property Officer has any questions related to asset capitalization, they must contact the CFO Asset Accountant for clarification prior to completion. In addition, Property Officers are responsible for providing the following information to complete the ABZON transaction:

- In-Service (Ownership) date;
- ABZON transaction type, with a description of how the asset was acquired;
- Cost, with a description of the cost determination;
- Inventory number;
- Full account assignment to record the acquisition, including the Responsible Cost Center; and
- Document Number used to record the acquisition (Property Invoice Number or Miscellaneous Obligation Number)

The form titled “Capitalized ABZON Request Form” **must be used to submit the above information** and can be found on the IA Online Forms website:

<https://www.bia.gov/policy-forms/online-forms/specific-forms-and-guidance> .

Property Officers must review, approve and submit the form to DPM no later than 10 business days after ownership of the asset is established. DPM must review, approve and submit the form to the FBMS users with the Asset Accountant role under the Division of Financial Reporting and Analysis for processing. Once an Asset Accountant completes the ABZON transaction, the responsible Property Office must encode all remaining fields on the asset record, including performing any necessary additional steps to complete fleet, building, structure, and land records.

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Property Offices remain responsible for recording non-capitalized asset acquisitions through the ABZON process. DPM will monitor quarterly reports generated from FBMS to ensure only Asset Accountants are performing capitalized ABZON transactions in compliance with the requirements of this policy.

Approval

JASON
FREIHAGE

Digitally signed by JASON
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Date: 2023.04.25 07:37:26
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4/25/23

Jason Freihage

Date

Deputy Assistant Secretary – Management (DAS-M)