

INDIAN AFFAIRS MANUAL

Part 27

Financial Management

Chapter 15

Assets Under Construction Accounting Management

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- 1.1 Purpose.** This chapter establishes Indian Affairs' (IA) Assets Under Construction (AUC) accounting policy to ensure consistent execution and compliance with internal controls for construction project accounting.
- 1.2 Scope.** This policy applies to all programs and offices under the authority of the Assistant Secretary-Indian Affairs (AS-IA), including AS-IA offices, the Bureau of Indian Affairs (BIA), and the Bureau of Indian Education (BIE).
- 1.3 Policy.** It is the policy of IA to implement and maintain consistent AUC accounting management by:
- A. Strengthening internal controls for constructions projects by monitoring ongoing construction projects until completion, maintaining project fund controls, ensuring timely reconciliation of projects, and performing management reviews; and
 - B. Ensuring timely transfer of completed construction projects to a capital asset.
- 1.4 Authority.**
- A. **Statutes and Regulations.**
 - 1) 31 U.S.C. § 501 *et seq.*, The Chief Financial Officer' Act of 1990
 - B. **Guidance.**
 - 1) Executive Order No. 13327, Federal Real Property Asset Management
 - 2) Department of the Interior (DOI) Real Property and Financial Management Guide (available: http://www.doi.gov/pam/programs/property_management/Real-Property-and-Financial-Management-Guide.cfm)
 - 3) U.S. Government Standard General Ledger (USSGL), Treasury Financial Manual (available: https://www.fiscal.treasury.gov/fsreports/ref/ussgl/ussgl_home.htm)

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C. Handbooks.

- 1) Federal Accounting Standards Advisory Board (FASAB) Handbook of Federal Accounting Standards and Other Pronouncements, as Amended, June 2015 (available: http://files.fasab.gov/pdf/2015_fasab_handbook.pdf)
- 2) DOI Accounting Handbook, Property Plant, and Equipment (PP&E) (available: <https://www.doi.gov/sites/doi.gov/files/uploads/PFM%20Accounting%20Handbook.pdf>)
- 3) BIA Financial Management Handbook (available only to IA employees: <https://iiamabqzucmw02p.ia.doi.net:16200/inside.indianaffairs/Org/AS-IA/OCFO/FM/FMH/2017/index.htm>)
- 4) 27 IAM 15-H, "Assets Under Construction Accounting Management Handbook"

1.5 Responsibilities.

- A. **Deputy Assistant Secretary - Indian Affairs (Management) (DAS-M)** is responsible for the development and coordination of policies and procedures related to accounting management of construction projects; ensuring compliance with government regulations; and oversight and monitoring within IA.
- B. **Office of the Chief Financial Officer (OCFO)** is responsible for the financial reporting of AUC projects and serves as the lead office for providing guidance and training on construction accounting processes and coordinating with all stakeholders, including property management and program managers involved in the construction projects.
- C. **OCFO, Division of Financial Reporting and Analysis (FRA)** is responsible for creating the work breakout structures (WBS) in FBMS; running extract reports and creating Construction and Progress Evaluation Reports (CAPERs); entering completed assets in FBMS; process completed Project Journal Vouchers; and processing Advance Journal Vouchers.
- D. **DAS-M, Office of Facilities, Property, and Safety Management, Division of Facilities Management and Construction (DFMC)** is responsible for coordinating with OCFO to obtain guidance and training on construction accounting processes.
- E. **Office of Trust Services, Division of Water and Power (DWP)** is responsible for providing guidance and training on construction accounting processes and coordinating with all stakeholders, program managers involved in the construction projects.

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- F. **Program Managers** are responsible for approving annual construction budget; designating a Project Manager; obtaining Tribal resolution(s) for asset(s) ownership determination; submitting WBS request form ensuring the WBS corresponds to the appropriate project and providing start and end dates for milestones and WBS; and providing project description and locations.
- G. **Project Manager (PM)** is responsible for monitoring project to completion; reporting project statuses to Program Managers and FRA; verifying project costs; and completing FBMS Asset Update Report/CIP-005.
- H. **Department of Property Management (DPM)** is responsible for reviewing and signing the FBMS Asset Update Reports/CIP-005; completing Asset Master Record; and establishing property record with Regional Property Officers (RPO).

1.6 Overview.

All construction projects begin with the annual budget process. Once a construction project is budgeted, reporting construction cost data in a timely, accurate and consistent method is critical to the IA's ability to justify annual construction budget funding requests. The AUC process directly interfaces with several other bureau business processes such as the project budget allocation, project fund control, capital planning and investment control, the organizations' general ledger, and P.L.93-638 and P.L.100-297 construction projects.

IA is required to account for AUC costs of assets constructed by or for Federal entities. All construction projects must be entered into FBMS through the Controlling Objects/ Project System (CO/PS) module. FBMS is the IA official accounting system for recording AUC transactions. Assets constructed for DOI bureaus are normally recognized as AUC on the bureau's construction records until completion. Upon completion, the asset is captured in the bureau's property records.

For more detailed procedures, refer to 27 IAM 15-H, "Assets Under Construction Accounting Management Handbook."

Approval


James N. Burckman
Acting Deputy Assistant Secretary – Indian Affairs (Management)

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Date