

CHAPTER 15 - ACQUISITION OF PLANT, OWNERSHIP, AND FINANCIAL MANAGEMENT

15-1. Purpose. This chapter establishes the policy for the supervision and administration of the acquisition, operation, utilization, recording and calculation of costs, and the maintenance and disposal of plant within the revolving fund of the Corps of Engineers.

15-2. Policy. It is the policy of the Corps of Engineers that:

a. A revolving fund shall be established and maintained to be available without fiscal year limitations, but within the delegated authority for the following primary purposes:

(1) To acquire, operate, maintain, and repair civil works lands, structures, and other plant which are expected or required to serve more than one civil works project and/or multiple civil works appropriations that meets current capitalization criteria. Specific guidance on the acquisition, use, and disposition of revolving fund-owned equipment is provided in Chapter 7 of EP 1130-2-500.

(2) To purchase, operate, and maintain not more than four aircraft.

(3) To temporarily finance services finally chargeable to appropriations for civil works functions.

(4) To furnish facilities and services for military functions of the Department of the Army, and other government agencies and private persons as authorized by law.

b. In order to maintain solvency, the revolving fund shall be promptly reimbursed for the cost of equipment, facilities, and service furnished for the above purposes. Reimbursement shall be in accordance with the guidance provided in ER 37-2-10.

c. A Plant Replacement and Improvement Program (PRIP) shall be established within the revolving fund to provide for the management of revolving fund owned property. Specific guidance for the administration and programming of this program is provided in the current budget guidance and annual operations and maintenance (O&M) Budget Guidance. The general principles governing the PRIP shall include but not be limited to the following:

(1) The PRIP shall be used to acquire plant and equipment requiring capitalization that supports more than one civil works project and/or appropriation. Such plant shall not be acquired through the use of overhead accounts, project funds, or a combination of other funding mechanisms to avoid the PRIP process.

(2) The revolving fund shall be reimbursed for equipment acquired through the PRIP. The reimbursement, in the form of user charges, shall include depreciation, plant increment, insurance, and operating costs.

(3) The primary use of all plant acquired through the PRIP shall be for the support of the civil works mission. Incidental use of these items of plant to support the military program, other governmental agencies, states, municipalities, individuals, or corporations outside the Federal Government when not otherwise in use provided that proper usage charges are paid by the

activity being supported.

d. The Commander, HQUSACE has delegated the authority for control of the Plant Replacement and Improvement Program (PRIP) to the Director of Civil Works.

(1) The Director of Civil Works has assigned the management of the PRIP to the Chief, Operations, Construction, and Readiness Division (CECW-O).

(2) Program requests from district commanders shall be reviewed and recommended by MSC commanders to ensure that annual requests for the current year and the program for future fiscal years are realistic and compatible with the mission of the Corps, construction schedules, and workloads. MSC commanders; Director, Research and Development; and Director, Marine Design Center, shall be responsible for the compilation of consolidated prioritized lists, estimates, and reports from district commanders, and for submittals to CECW-O for appropriate action.

(a) MSC commanders and the Director, Research and Development, shall be delegated the authority to approve the acquisition (ACQ), additions and betterments (A&B), and the repair of revolving fund-owned plant items. In addition, the district commanders are delegated the authority to hire plant for use in lieu of revolving fund-owned plant. Limits of the Delegations of Authorities are summarized in current budget guidance.

(b) MSC commanders and the Director, Research and Development, shall be delegated the authority to adjust approved prioritized lists and approved PRIP by delegation, addition, or exchange of items within the same district or laboratory, but shall not exceed the total amount approved for that district or laboratory without the prior approval of CECW-O. MSC commanders; the Director, Research and Development; and the Director, Marine Design Center shall be provided the transfer authority indicated in current budget guidance. Adjusted and approved PRIP with identification of all changes within the Commander's/Director's authority, shall be forwarded to CECW-O on the 15th day following the end of the quarter.

(c) MSC program and funding submittal dates and CECW-O response dates are provided in current budget guidance.

(d) MSC commanders may delegate the following authorities to district commanders:

Up to 50 percent of the authority	Acquisition of new revolving funds plant and for additions and betterments.
Up to 100 percent of the authority	Repair of Plant. Hire of Plant.

(3) District commanders, including directors of research facilities and the directors of separate FOAs, shall appoint a PRIP manager/coordinator, who shall ensure that a comprehensive plant program is developed that supports the overall civil works requirements of the district, laboratory, or separate FOA. In addition, a PRIP review committee shall be established for review and prioritization of all requested plant items prior to submission by the

District Commander to the MSC Commander.

(4) Directorate of Research and Development. The program requests for all subordinate research and development elements shall be submitted to and reviewed by the Director of Research and Development (CERD).

e. All charges for the use of revolving fund-owned plant and facilities shall be determined and reviewed quarterly to ensure that these charges are fair, reasonable and realistic. In addition, all account balances shall be reviewed to ensure that they are reasonable and within allowable tolerances, in accordance with ER 37-2-10. Allowable tolerances include planned reserves for periodic overhauls. When circumstances prohibit rate adjustment to nominal levels within 180 days, the appropriate plant record card will be so noted.

f. Plant ownership and operating data for each item of plant owned by the revolving fund shall be determined and reported in accordance with current budget guidance.

g. Utilization and costs of plant shall be recorded and reported in accordance with the format and frequencies provided in current budget guidance.

h. Utilization, costs, and rates for plant shall be determined in accordance with the cost components and the procedures reflected in current budget guidance.

i. Disposal of Revolving Fund-Owned Plant. Disposal of real property will be in accordance with ER 405-1-12.

(1) Before preparation of a retirement work order (ENG Form 3013, Work Order/Completion Report) or other appropriate actions are taken as required by ER 37-2-10, Chapter 15, and ER 700-1-1, all districts and MSCs with intentions of deleting any items of revolving fund-owned plant from their inventory that is serviceable or usable without major repair shall submit a report on the items to CECW-O for approval. This report shall be submitted for all items of floating plant, mobile and fixed land plant, and tools and office equipment within an initial acquisitions cost greater than \$200,000. Vehicles, information management equipment, and office furniture shall be excluded.

(2) The revenues received from the sales of surplus revolving fund-owned items shall be retained in the Revolving Fund.

(3) No surplus revolving fund-owned plant shall be turned over to a Defense Disposal and Reutilization Agency without prior written approval from CECW-O.