

APPENDIX L

LOST DESIGN COST

L-1. Purpose. To provide guidance on how to expense lost design cost and return PRIP Allocation to HQUSACE.

L-2. Costs. Design cost associated with the potential acquisition of a major item of plant is accumulated in the acquiring command's financial records as construction in progress (CIP) under an assigned PRIP work item. When the decision is made to cancel the intended acquisition the Command will take immediate action to ensure the accumulated design cost is expensed to an appropriate Non-PRIP funding account (CEFMS work item).

a. Instruction for Expensing Lost Design Cost accumulated at a Corps activity is provided below.

(1) The Project Manager will immediately notify the local PRIP Manager of the decision.

(2) The Project Manager will provide the district PRIP Manager the project funding work item to which the lost design cost will be/has been transferred. Once the lost designed cost is transferred, the PRIP funding returns to the PRIP work item. Any remaining obligated funds for the cancelled project will be deobligated.

(3) The district PRIP Manager will review the activity's current year PRIP Program to determine if funds are required to resource a current year need.

(4) The district PRIP Manager will coordinate reprogramming action and/or withdrawal request through the Major Subordinate Command PRIP Manager to Headquarters USACE, ATTN: CERM-BA.

b. Marine Design Center Lost Design Cost. Where the Marine Design Center is performing the design effort for a Corps activity and has a direct PRIP Allocation and funds from Headquarters, the following instructions provided below will be

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followed to expense lost design.

(1) The ordering District Project Manager will immediately notify the Marine Design Center Project Manager and PRIP Manager and the District PRIP Manager of the decision to cancel the project.

(2) The ordering District Project Manager will provide the Marine Design Center PRIP Manager a MIPR citing project funds to which the lost design cost can be transferred. Any remaining obligated funds for the cancelled project will be deobligated.

(3) Marine Design Center PRIP Manager will review its current year PRIP Program to determine if funds are required to resource a current year need.

(4) Marine Design PRIP Manager will forward reprogramming action and/or withdrawal request to Headquarters USACE, ATTN: CERM-BA.