

CHAPTER 24
REVOLVING FUND ACCOUNTING
FOR
GENERAL AND ADMINISTRATIVE (G&A) OVERHEAD

24-1. General. General and administrative (G&A) overhead work items (RF6001-RF6011, RF6015, RF6021, RF6022 and RF6025) are established to record costs of either a general or administrative nature. They are used to record costs incurred by administrative organizations in accomplishing their functional responsibilities and/or to record/track corporate type costs of a general nature which cannot be directly attributed to specific projects. Organizational costs include all operating costs associated with the performance of the functional responsibilities of that organization including services obtained by contract or from another Federal agency. These types of cost include labor, travel, awards, training, transportation of things, space costs, communications, expendable property costing less than \$25,000, and all other expenses that can be identified as being related to functions normally performed by the organization. Direct charging of G&A organizational activities is limited to team members assigned to the work items for Counsel, Equal Employment Opportunity, Safety and Occupational Health and Contracting.

24-2. Subsidiary Work Items. The following work items will be maintained throughout the Corps of Engineers to identify G&A overhead costs. The specifics for direct charging applicable costs are provided in each of the descriptions for these work items.

a. RF6001 - Executive Office. This work item is used to record the cost of executive office operations within the command, including the payroll cost of civil funded officers. This work item will also be used to record costs of the Deputy for Programs and Project Management (DPM)) when performing general and administrative duties in his capacity as a Deputy Commander which are completely unrelated to his or her duties as a DPM.

b. RF6002 - Resource Management/Comptroller. This work item is used to record the cost of resource management/comptroller activities, including the cost of centralized payroll services provided by the Defense Accounting and Finance Service (DFAS) and the cost of finance and accounting services provided by another USACE command and/or the USACE Finance Center (CEFC). The costs for centralized payroll and finance and accounting services should not be redistributed to

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other organizational elements. Costs associated with the operation of a consolidated Finance and Accounting Office which supports more than one USACE command will be recorded in the appropriate RF55 series work items and distributed to supported commands as specified in Chapter 16.

c. RF6003 - Public Affairs. This work item is used to record costs incurred within the public affairs office, which acts as the primary agent to communicate to the public/news media the policies and viewpoints of the Corps of Engineers for the command.

d. RF6004 - Counsel. This work item is used to record the cost of legal services, including the rendering of advice and guidance on legal matters, incurred within the command. Services of Counsel in direct support of the Clean Water Act of 1977 should be charged to General Regulatory functions. Services of Real Estate Attorneys and/or other attorneys assigned to the Office of Counsel provided in direct support of project related real estate activities will be charged directly to the supported projects in the same manner as services provided by Real Estate Attorneys assigned to the Real Estate Division/Directorate.

e. RF6005 - Human Resources. This work item is used to record all costs associated with Human Resources Management, including human resource management services provided by a Civilian Personnel Advisory Center (CPAC), another USACE command and/or a Civilian Personnel Operations Center (CPOC). Costs for services provided by another USACE Command or a CPOC should not be distributed to other organizational elements. This work item will not be used to record costs associated with the operation of a consolidated Human Resource Center which supports more than one USACE command. Such costs will be recorded in the appropriate RF55 series of work items and distributed to supported commands as specified in Chapter 16.

f. RF6006 - Logistics Management. This work item is used to record costs associated with the performance of logistics management services within the command. This work item will also be used to record the cost of logistic management services provided by a consolidated logistics management center. Typical types of services recorded in this work item include but are not limited to transportation management, supply management, maintenance management, facilities management, and vehicle management.

g. RF6007 - Equal Employment Opportunity (EEO). This work

item is used to record all costs incurred within the office of primary responsibility/organizational element responsible for the overall conduct and/or coordination of EEO and other affirmative action programs (Federal Woman's Program, Spanish Speaking Program, etc.). This work item is also used to record all costs, including labor, related to training of EEO counselors and all costs, including labor, incurred by EEO counselors in conjunction with EEO functions of a general nature such as attendance at meetings, conferences and workshops which benefit the command as a whole. Labor, travel and per diem costs related to counseling services provided by EEO counselors to Civil Works Operation and Maintenance projects and/or other organizational elements within the same or another supported command will be charged to the Civil Works project or organizational element to which the service is provided.

h. RF6008 - Safety & Occupational Health. This work item is used to record all costs associated with the supervision and direction of the USACE safety and occupational health program for the command. This includes functions such as policy and program development, programmatic support, on-site periodic safety and occupational health management evaluations (SOHMES) and other activities normally associated with general and administrative overhead. However, technical services readily identifiable with a specific project such as development of workplans; predesign investigations; designs; activity hazard analyses: hazardous, toxic and radioactive waste (HTRW) site safety and health plans (SSHPS); industrial hygiene services for HTRW, asbestos, lead and other hazardous materials abatement activities and safety and industrial hygiene surveys, inspections and environmental evaluations at projects will be charged directly to the project in accordance with the direct charge rule. Such project charges shall not be made unless the technical support required is (1) mandated by USACE requirement and (2) has been requested and coordinated with the project manager and the functional chief. Predetermined project support requirements should be specifically budgeted for by the project manager and/or functional chief.

i. RF6009 - Provost Marshal/Security. This work item is used to record the cost of provost marshal and/or security officer functions as described in ER 10-1-3.

j. RF6010 - Audit (Internal Review). This work item is used to record the cost of internal review operations within the command.

k. RF6011 - Information Management Area (IMA). This work

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item is used to record the cost of information management operations within the command. Work category codes listed below will be used to record specific types of IMA costs. The work category elements listed in Chapter 16, Appendix B, are to be used to further identify cost types.

(1) INMAOF - Information Management. Includes the cost of planning (including Information Management Planning (IMP), setting goals/objectives), budgeting, and general studies (including cost accounting studies).

(a) More specifically, this work category code is used to record the cost for overall management of IMAs such as long and short range planning, development of the IMP, activities associated with approval authority, budgeting, IMA accounting, general studies such as organizational, manpower - cost accounting, etc., career management, and staff oversight functions.

(b) Costs charged to this work category code includes any overall management activities that cannot be categorized in any of the five work categories listed below.

(2) LIBRAR - Library. Included in this work category code are cost for management of library services, resources and facilities, supporting organizational mission by identifying, selecting, acquiring, organizing, controlling, retrieving, and disseminating information and library resources and services.

(3) RECMAN - Records Management. This work category code includes costs associated with management of the life cycle of information itself, to include records creation, maintenance and use, and disposition. Included are files, correspondence, labor costs associated with postal services, declassification, vital records, duplicate emergency files, reports control, and office symbols; implementation within the Army of the Privacy and Freedom of Information Acts.

(4) REPMAN - Reproduction Management. This work category code will include cost for management of publications and forms management programs; distribution systems and all facilities and services for office copiers.

(5) INAUSU - Indirect Automation Support. As a general rule, this work category code will only be used to record automation costs of a general nature which benefit the command as a whole and/or may not be appropriately charged to the Automation

Facility (RF50) work item pursuant to the provisions of Chapter 16. The cost of the following types of indirect automation support activities are properly chargeable to this work category code: master planning; general management/supervision of the automation staff; requirements analysis; contract source selection, award and management; consolidation of requirements; technical review and approval of end-user automation plans, purchase requests and contracts; general and supervisory training; preparation of command wide regulations, operating instructions and standard operating procedures; participation in meetings, working groups and task forces; negotiation of support agreements; review of draft regulations provided by higher headquarters, CEAP-IA support (data base management, resolution of system problems, system access approvals, password assignments and other like functions) and other general clerical and administrative work category code activities as appropriate. This work item may not, under any circumstances, be used to record costs which should be recorded in and distributed from the automation (RF50) series of work items to mask the true cost of the services being provided on a fee for service basis or to achieve lower, more acceptable billing rates or fees.

(6) INCOSU - Indirect Communication Support. This work category code will only be used to record communication costs of a general nature which benefit the command as a whole and/or may not be charged to the Communication Facility (RF51) work item pursuant to the provisions of Chapter 16. The cost of the following types of indirect communication support activities are properly chargeable to this work item: master planning; general management/supervision of the communication staff; requirements analysis; contract source selection, award, and management; consolidation of requirements; technical review and approval of end-user communication plans, purchase requests and contracts; general and supervisory training; preparation of command wide regulations, operating instructions and standard operating procedures; participation in meetings, working groups and task forces; negotiation of support agreements; review of draft regulations provided by higher headquarters and other general clerical and administrative activities as appropriate. This work item may not, under any circumstances, be used to record costs which should be recorded and distributed from the communication (RF51) series of work items to mask the true cost of the services being provided on a fee for service basis or to achieve and/or maintain low or more acceptable billing rates or fees.

1. RF6015 - Contracting. This work item is used to record the cost of supervising and directing the contracting activities

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of the command. It is also used to record the cost of non-project specific contracting services including those provided by a consolidated contracting support center/activity. Contracting services readily identifiable with specific projects and/or reimbursable orders will be charged to those projects and/or reimbursable orders in accordance with the provisions of Chapters 6 and 7.

m. RF6020 - Real Property Inventory/Reconciliations. This work item reflects costs incurred by Real Estate Division/Directorate personnel in association with the performance of inventories of Revolving Fund Real Property and reconciliations of Civil Works, Military and Revolving Fund Real Property records to financial records. Borrowed labor procedures will be used to charge labor to this account. Costs incurred by Real Estate Division/Directorate personnel in association with the performance of inventories of project owned real property will not be charged to this account under any circumstances. All such charges must be charged to the specific project at which the inventory is performed. Costs incurred by Finance and Accounting Office personnel in association with real property reconciliations must be charged to RF6002.

n. RF6021 - Union Activities. This work item is used to accumulate all costs associated with Union activities for subsequent distribution as G&A Overhead. Borrowed labor procedures will be used to record labor charged to this work item.

o. RF6022 - Marketing and Outreach Program Activities. This work item is used to accumulate all costs related to local marketing and Outreach program activities for subsequent distribution as G&A Overhead. Borrowed labor procedures will be used to record labor charged to this work item.

p. RF6090 - Results from Operations. This work item reflects prior year net results from G&A accounts operations in addition to the joint cost credits and sales resulting from distribution of overhead. All expenses in the administrative office accounts (RF6001-6011, RF6015 and RF6025) must ultimately be distributed to appropriate projects. Overhead expenses are recouped as a surcharge to direct labor. The combined balances of all the organizational overhead accounts, to include RF6090, represent the overall under/over distributed overhead. Year-end closing rolls the overhead balances into the work category element BFY and stores that amount in the RF6090 account.

24-3. Distribution. G&A overhead will be distributed on effective labor charged direct to projects; programs; Revolving Fund Plant Work Items, Flat Rate S&A Work Items, Shop and Facility Work Items; and Revolving Fund Work for Others work items. G&A overhead will not be applied to the following:

- Labor charged to departmental overhead (RF61) work items.

- Labor of executive, advisory and administrative employees charged to G&A overhead (RF60) work items.

- Labor of executive advisory and administrative employees charged to reimbursable orders funded by a G&A overhead (RF 60) work item other than Contracting (RF6015) at another USACE command.

- Labor of executive advisory and administrative employees charged to reimbursable orders issued by USACE Major Subordinate Commands for administrative support pursuant to the terms of negotiated support agreements.

- Labor charged to area/resident office overhead (RF64) work items.

- Labor charged to cooperative administrative support unit (CASU) revolving fund work items.

- Labor charged to Centers of Expertise (RF52) work items.

- Labor charged to Consolidated Support Centers (RF55) work items.

- Labor of DA Interns.

a. Effective Management. Effective management of the executive, advisory, and administrative staff is an essential factor in the successful operation of a USACE Command. All costs should be budgeted and monitored (at least quarterly). General and administrative accounts provide the cost of performing USACE Command G&A overhead functions and allows one to compare the budgeted amounts and the actual costs. Overhead expenses in connection with the operation of district and MSC offices remain somewhat constant throughout the year. The rates for distribution of district overhead are determined at the beginning of each fiscal year, reviewed at least quarterly, and are revised

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as necessary.

b. Civil Works only Activities. Subordinate Commands without direct military missions (Civil Only activities) will establish a single (one) G&A rate. This single rate will be used to distribute G&A overhead to all programs and projects including military projects performed on a reimbursable basis. However, district commands at which Centers of Expertise are located will also establish a second G&A Overhead rate for use in distributing G&A Overhead to the Center(s) of Expertise in those instances in which: (1) the Major Subordinate Command has operational control (OPCON) of the center(s) and (2) provides some general and administrative support to the center. This rate will be determined by negotiation with the Major Subordinate Command which has OPCON of the center(s).

c. Combined Civil and Military Activities. Subordinate Commands with both direct civil works and direct military missions will establish two G&A overhead rates if GSA space or civil funded military officer costs are incurred. One rate will be a basic rate which does not include GSA space or civil funded military officer cost. The other will be a civil works rate which includes the basic rate and an additional factor for GSA space and civil funded military officer costs. District commands at which Centers of Expertise are located will also establish a third G&A Overhead rate for use in distributing G&A Overhead to the Center(s) of Expertise in those instances in which: (1) the Major Subordinate Command has operational control (OPCON) of the center(s) and (2) provides some general and administrative support to the center. This rate will be determined by negotiation with the Major Subordinate Command which has OPCON of the center(s).

(1) The basic rate will be computed by dividing the estimated common (applicable to both civil and military missions) general and administrative costs by the estimated total (civil and military) direct labor dollars. The civil rate will be computed by adding a civil surcharge rate to the basic rate. The surcharge rate will be computed by dividing estimated GSA space and civil funded military officer costs by the estimated civil direct labor dollars.

(2) The basic rate will be used to distribute G&A overhead to military projects and programs (including military reimbursable or support for others projects and/or programs) and the Revolving Fund Flat Rate S&A (RF65, RF66 and RF68 work items).

(3) The civil rate will be used to distribute G&A overhead to all civil works projects and programs (including civil work for others projects and programs) and all revolving fund plant, shop and facility accounts and Revolving Fund Work for Others accounts related to services provided by technical personnel to another USACE command or federal agency and/or services of executive, advisory and administrative employees provided to another federal agency.

d. Loaned Labor. Labor of G&A employees on loan to another organization within the same USACE Command will be charged to the organizational work item of the borrowing organization using borrowed labor procedures. Labor of G&A employees on loan to another USACE Command or another federal agency will be charged to the work item established when the reimbursable order was accepted.

* (1) Natural Disaster and Emergency Response. Excluding G&A activities that may direct charge (Counsel, Equal Employment Opportunity, Safety and Occupational Health, and Contracting), labor in support of natural disaster and emergency response and recovery activities will be charged to the organizational work item with the following exceptions:

(a) Overtime in support of response activities

(b) Straight-time and overtime for G&A Planning and Response Team (PRT) members either deployed on temporary duty orders or assigned, in accordance with applicable PRT rotational policy, to a disaster/emergency response site in the same geographical location as the PRT member's home office of assignment.

Labor for both exceptions above, will be charged to the applicable Federal Emergency Management Agency mission. *

e. Permanent Change of Station (PCS) Move, Suggestion and Incentive Award Expenses. PCS move, suggestion and incentive award expenses incurred within executive, advisory, and administrative organizations will be charged to the home work item to which the team member is assigned and distributed as overhead.

24-4. General Ledger Accounts.

a. GLAC 3318.10 - Results from Operations. Operating balances (expense less income) are closed into this GLAC at the

CEFMS operating budget module is encouraged and should be used. A sample budget schedule format is provided in Appendix 24-A-1 for those USACE Commands who have elected not to use the CEFMS operating budget module or some other automated cost vs budget schedule/system. As the focal point for formulation of the overall operating budget, the resource management official is responsible for oversight of the budget formulation process and for providing sound financial advice to individual work item managers. The resource management official is also responsible for the actual formulation of the G&A overhead budget, rate setting, and the day to day financial management of the G&A overhead work item as a whole.

b. In order to ensure that all applicable statutory requirements are met, operating budgets must be constructed to achieve a fiscal year end balance of zero for the G&A overhead work item and distribution rates must be established accordingly. Activities are encouraged to use CEFMS generated rates to the maximum extent possible.

c. In rare and unusual circumstances, HQUSACE may authorize construction of an operating budget aimed at achievement of a fiscal year-end balance other than zero for G&A overhead work items. Requests for authority should be forwarded to CERM-ZA for approval. Approvals remain in effect until withdrawn by HQUSACE. A file of HQUSACE approvals must be maintained by the local resource management office.

d. Expense/income studies will be conducted at least quarterly to determine whether or not the budget projections are on track and the existing rates are properly set. These reviews are essential to the effective financial management of G&A overhead as well as achievement of a zero balance at year end and must be completed in a timely manner. Commanders must ensure that work item managers take appropriate corrective action (reduce spending, surcharge, rebate, increase/decrease rates, etc.) based on the results of these reviews.

e. At the end of each fiscal year, the G&A overhead work item will be analyzed to determine the degree of effectiveness with which it was managed and to ensure that all statutory requirements were met.

(1) With the exception of those rare G&A overhead accounts for which a special year end balance other than zero has been authorized by HQUSACE, the year end balance in the G&A overhead work item as a whole should be zero. However, a balance which

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falls with a nominal balance range of plus or minus (+ or -) one per cent (1%) of current year expenditures, exclusive of joint cost credits, meets current statutory requirements for achievement of a zero balance and is acceptable although not desirable.

(2) Any amount in the G&A overhead work item as a whole which falls outside a nominal balance range or exceeds a special year end balance approved by HQUSACE represents a possible statutory violation and, as a minimum, will be subject to censure by the Chief of Engineers.