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CHAPTER 31

ACCOUNTING TREATMENT FOR MULTIPLE-PURPOSE PROJECTS

31-1. General.

a. When a multiple-purpose project is authorized and funded by Congress, the authorization includes the purposes for which the project is to be constructed. "Multiple-Purpose Projects" is defined as relating to all projects which contain any authorized reimbursable purpose or purposes, regardless of budgetary classification. Commonly authorized purposes are:

Power	Fish & Wildlife
Flood Control	Navigation
Irrigation	Water Supply
Low Flow Regulation	Recreation

b. The project will include purposes which are reimbursable and non-reimbursable. Construction costs of reimbursable purposes including Interest During Construction (IDC) will be repaid to the Corps of Engineers by another agency or local purchaser. Nonreimbursable costs are borne entirely by the U.S. Treasury.

c. The project will have costs which are both specific and joint. Specific costs are related to or for the benefit of only one purpose, whereas joint costs are shared by all authorized purposes of the project. Generally, feature accounts determine the purpose of the cost and whether or not that cost is specific or joint; however, costs incurred for only one purpose under any feature should be separately identified and allocated to only that purpose. Purposes not included in project authorization do not share joint costs unless there is a post-authorization change.

d. Joint costs are distributed to individual purposes of a project using joint allocation percentages. These percentages are contained in the Cost Allocation Study prepared in accordance with ER 1105-2-100, "Cost Allocation for Multiple-Purpose Projects". There is one set of percentages for construction costs and another for O&M. Care must be exercised to use the percentages appropriate for the task being performed. Distributions of joint costs for transfers to Plant-In-Service, additions, retirements and depreciation will be made using construction percentages even when funded under O&M General.

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ER 37-2-10
Change 80
25 Apr 94

* e. Special requirements exist regarding reimbursable projects, particularly projects on which electric power is produced by the government for sale to the public. These requirements include recovery of the government investment, computing interest on the government investment and on government funds applied to operation and maintenance, and computing depreciation.

f. For power projects compound interest will be computed on the unamortized government investment in project facilities at the rate which was used in the justification data submitted to the Congress in support of the initial request for construction funds. Compound interest will also be computed where interest during operations has not been paid, either by the marketing agency or the local purchaser of the Corps project output. The annual interest rate for both unpaid interest during operations and O&M expenses will be the current annual interest rate determined by the U.S. Treasury Department for the relevant fiscal year. This annual interest rate will be furnished by engineer circular annually and should be in agreement with the rate furnished by the Department of Energy to the marketing agencies.

g. Where storage space for water supply in Corps of Engineers projects is provided under the authority of the Water Supply Act of 1958, as amended, the interest rate for the portion of the project applicable to water supply will be determined as prescribed by that Act.

h. Where project purposes include hydroelectric power production delivered to Department of Energy marketing agencies for resale under the authority of the Flood Control Act of 1944, and interest rates developed using Department of Energy criteria differ from those in paragraph (f) above, rates for the power purpose only will be based on the Department of Energy criteria. These rates will be used in adjusting the IDC figures once the portion of the project for power is known, and in computing Interest During Operation on the project's unpaid investment cost. Investment cost includes cost of initial construction, capitalized additions and/or betterments, capitalized major replacements, and IDC. Interest computed before the plant goes in service will be capitalized as IDC.

31-2. Applicability.

a. Whenever it is necessary to account for interest or depreciation for any part of a reimbursable project, subdivisions of the accounts for interest and depreciation must be maintained

* to segregate those costs which are applicable to the reimbursable purposes from those which are nonreimbursable.

b. Interest, depreciation and investment recovery factors do not enter into the data to be incorporated in budget and program submissions. These factors will not be included in the "work accounts" of the project.

c. Regardless of budgetary classifications, multiple purpose projects shall have cost records distinguishing between specific facilities and joint facilities. The specific and joint facilities will be further broken down by feature and subfeature levels.

31-3. Timing of Transfers to Plant-In-Service (PIS)

a. The various purposes of a project will be considered in service progressively as each purpose is essentially completed and available for serving the intended function which justified its inclusion in the project.

b. Transfers to PIS will be effected for specific features, subfeatures, or units serving a project purpose, plus the related portion of joint facilities on the basis of completion to the point of availability to serve the project purpose (exceptions are explained below). Such transfers will be made as of the end of the month in which physical completion occurs. The in-service date for PIS will be considered as the first of the month following the availability to serve the project purpose, at which time interest during construction ceases and interest charged to operations commences on all construction costs pertinent to that purpose. Cost of boundary line survey and marking, when performed under the maintenance feature, Operation and Maintenance appropriation, will be transferred to PIS at the close of each fiscal Year.

c. All specific and joint costs related to water supply are transferred when operational, regardless of the status of the other purposes.

d. Exceptions to total purpose transfers to PIS.

(1) Power Purpose. Incremental transfers of construction cost to PIS for specific power facilities, joint use facilities allocated to power and related interest during construction will be determined as follows. Calculate the ratio for each unit (as a separate purpose) of a multi-unit installation, based on the

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ER 37-2-10
Change 80
25 Apr 94

- * nameplate kilowatt rating for each unit, to all the units scheduled initially as a part of a continuous construction schedule. Then, on the last day of the month in which a unit becomes available for service, its ratio will be taken of the estimated total cost of the specific power facilities, the estimated total cost of the joint use facilities allocated to power, and of the actual interest charged to construction related to the power purpose.

(2) Recreation Purpose. Incremental transfers of construction cost to PIS for specific recreation facilities and joint use facilities allocated to recreation and related interest during construction will be determined as follows: Calculate the ratio of each major development area separately and the ratio of the total of the minor development areas to all the areas scheduled as part of the project authorization. A major area is one with a cost of \$100,000 or equal to five percent of the total recreation cost, whichever is greater. Then, on the last day of the month in which an area becomes available for service, its ratio will be taken of the estimated total cost of the specific recreation facilities, the estimated total cost of the joint use facilities allocated to recreation and of the actual interest charged to construction related to the recreation purpose.

(3) As of the first of the following month, interest as a charge to construction ceases and interest charged to operations commences on such increments of construction transferred to PIS, as described above.

e. The costs transferred to PIS will be the total estimated cost of the specific facilities being transferred, the portion of the total estimated joint use facilities cost allocated to that purpose plus the related portion of interest charged during construction. Generally, all project purposes are already in service at the time the final power unit is placed on-line, at which time PIS accounts for all specific and joint use facilities will be adjusted to agree with actual costs. In the event that facilities for one or more other major purposes (purposes to which joint use costs are allocated) are not in service when the last power unit is placed on-line, such adjustment of PIS accounts will be deferred until such purposes are in service. There is not a deferral to PIS for facilities related to purposes for which joint costs are not allocated and which were not included in the project authorization, such as recreation facilities added by authority of general legislation (e.g., the Flood Control Act of 1944). After major project purposes are in service and PIS accounts have been adjusted to reflect actual

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- * costs, additional construction costs incurred will be transferred at the end of each fiscal year prior to closing the accounts. In determining the related amount of joint cost to be transferred, care will be exercised to ensure that cost allocations to specific purposes are made in conformance with the bases contained in the Cost Allocation Study.

f. When the firm or final allocation for a multiple purpose project is received, the retroactive adjustments will be based upon the actual costs incurred. If the final allocation percentages differ only by one-half of a percent, no adjustment is necessary. Where the deviation is greater than one-half of a percent, a subsequent refinement shall be made in the computations.

31-4. Completion Reports. ENG Form 3013 (Work Order/Completion Report) will be prepared and processed in accordance with the provisions of Chapter 6 when features, subfeatures, or components under the features 01 through 20 have been physically completed. At this time costs accumulated in distributive features 30, 31, 50, 51, 52, 53, and 71.1, etc. must be distributed to appropriate plant features. Where project records provide an inadequate basis for the distribution, an engineering analysis and determination will be made. This analysis and determination will be performed by technical personnel who possess adequate knowledge of the project involved.

a. PIS amounts are recorded in feature account 78 with identification of features 01 through 20. Each account is also identified as to whether the cost is specific or joint and the purpose to which related. Costs being transferred are not removed from the account where initially recorded, but transfer is accomplished through use of the 88 feature which is a credit to GL 107. Construction costs will maintain identity as originally recorded.

The structure of the 78 and 88 accounts is detailed in EP 37-26-1 dated 1 Apr 87, Chapter 7.

(1) As a minimum, cost recorded in the 88 account will reflect the following breakdown:

(a) Direct construction costs (hired labor, contractors' earnings including land payments, materials, and applied construction facilities).

(b) Engineering and design.

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ER 37-2-10
Change 80
25 Apr 94

- * (c) Supervision and administration.
- (d) Other distributive costs.
- (e) Interest during construction.
- (2) As a minimum, cost recorded in the 78 account will reflect the following breakdown:
 - (a) Land acquisition payments.
 - (b) Land acquisition expense.
 - (c) Construction costs (direct construction costs, engineering, design, supervision, administration, and other distributive costs).
 - (d) Interest during construction.
 - (e) Retirement credits.

The foregoing procedure will provide direct relationship between the work order cost accounts and program and performance reports and between the subsidiary accounts for construction Work-in-Progress, the subsidiary accounts for PIS, and the related General Ledger control accounts.

b. Construction costs in connection with projects which are transferred after completion to other agencies or to local interests will be transferred to General Ledger 133.9. Projects are transferred to other agencies or local interests from the construction Work-in-Progress account when the following conditions are met:

- (1) The other agency or local interest, as applicable, has been notified of the transfer of responsibility for operation and maintenance of a separable physical unit of a project (or the entire project)
- (2) Final costs for the items to be transferred have been recorded.

31-5. Interest During Construction.

a. Power.

- (1) During the period of constructing a project

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* or additions thereto, interest on the costs of construction, including land costs, and other project costs related to construction (e.g., the net changes during the period in accounts for construction facilities, stores, engineering, design supervision and administration) for each month will be computed as simple interest from the middle of that month until the end of the current fiscal year. Interest on previously accounted costs including accumulated interest will be compounded annually on the last day of each fiscal year and on the date of transfer to PIS. Interest during construction is computed for all purposes except water supply at the project authorized rate. Construction is initiated when land is purchased or a construction contract is awarded, whichever occurs first. After transfer to PIS, interest will be charged in relation to the additional actual costs incurred for accomplishing final completion of the feature, subfeature or unit serving a project, in the same manner as for initial construction; however, it will be accounted for as interest charged to operations. Interest will be based on all accumulated costs including previous interest costs and excluding costs incurred under contributions in aid of construction from other than Federal Agencies. Interest during construction will be recorded in the accounts not later than the end of each current fiscal year. Interest cost will not be applied directly to the work order accounts, but will be held in Account 71.1 and 671.1 (GL 107 Undistributed Interest During Construction), until the work is transferred to PIS. At that time, the applicable portion of the interest in Account 71.1 and 671.1 (GL 107), together with the other costs representing the completed work will be transferred to the appropriate PIS accounts. The contra credit for interest cost charged to construction will be reflected in Account 92 or 692 (GL 134 Interest on Government Investment) as applicable. All entries to accounts for interest during construction will be supported by working papers showing applicable computations of current charges and allocations.

(2) Additions and Replacements. The policy on additions and replacements signed by the Department of Energy and the Acting Assistant Secretary of the Army (Civil Works) in 1984 provides that each addition and replacement will be repaid by the Power Marketing Agency at the rate of interest applicable to the fiscal year in which construction is initiated or the addition or replacement is purchased.

(a) If the addition or replacement is completed within one fiscal year, interest to operations will be computed. The authorized interest rate for the item will be the rate applicable to the fiscal year the item was constructed. PIS records will be structured in order to identify the various interest rates. *

ER 37-2-10
Change 80
25 Apr 94

* (b) If the addition or replacement requires more than one year to complete, the item will accrue interest during construction from the time construction begins, and will be charged until such facility is transferred to PIS. At the end of the fiscal year prior to completion, the interest obligation shall be added to the cost of the facility to be charged interest for subsequent periods. Upon completion, interest during construction and the construction cost will be transferred to PIS.

b. Water Supply. The Water Supply Act of 1958 as amended by the Water Resources Act of 1986 requires that before construction or modification of any project including water supply provisions for present demand is initiated, state or local interests shall agree to pay for the cost of such provisions. For Corps of Engineers projects, the Secretary of the Army may permit the full non-Federal contribution to be made, without interest, during construction of the project, or, with interest, over a period of not more than 30 years from the date of completion, with repayment contracts providing for recalculation of the interest rate at five-year intervals. Interest to construction will be recorded at the rate specified in the water supply contract.

c. Irrigation. Interest is not required to be repaid by irrigators. Only the Federal construction costs are required to be repaid. Irrigation costs above the water users* ability to pay are to be repaid by revenues from surplus hydroelectric power sales and other miscellaneous project revenues without an interest charge.

31-6. Interest Charged to Operations.

a. The bases for interest charges to operations are the net investment in fixed assets, and the net income or expense of the year exclusive of current year interest and exclusive of costs incurred under contributions from other than Federal agencies. The procedures outlined below provide for an orderly computation of interest. The amount of interest will be recorded in the accounts not later than the end of each current fiscal year. All entries for interest charges to operations will be supported by working papers showing applicable computations and allocations.

b. Prior to computing the interest to be charged to operations, direct operating costs and income will be allocated and transferred from current fiscal year accounts to GL 136, Non-reimbursable Costs and to GL 137.1, Results from Operations, as

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applicable. After the above has been accomplished, the following sequence of interest computations will be made to determine the amount of interest to be charged to operations:

(1) For Account 137, Status of Cost Recovery-Reimbursable Costs, compute interest at:

(a) one-half the current year rate on the net total of the current year project expenses and income reflected in Account 137.1, excluding from the account the amounts of current year depreciation and amortization expense and the income reported by the marketing agency as allocated to the Corps* projects. The above excluded income amounts are considered in Account 135.2 Funds Returned to U.S. Treasury by Other Agencies.

(b) one-half the current year rate on the net change during the year in Account 137.2. (Current rate)

(c) the full rate on balances at end of the preceding year in each Account 137.-. The interest rate used will be the authorized rate.

The result of these computations will normally be interest charged to reimbursable operations.

(2) Compute inverse (negative) interest on the current fiscal year charges recorded in Account 135.2 applicable to income collected by the marketing agencies for the reimbursable functions of the projects. Normally this interest will be computed at the full current rate for the period from the day following the date the income is allocated to the Corps of Engineers project to the end of the current fiscal year. Otherwise, interest will be computed in accordance with specific agreements between the Corps of Engineers and the marketing agencies. The resultant amount of interest will be credited to reimbursable operations.

(3) For the net unrecovered investment, compute interest as follows:

(a) For multiple purpose project accounts subsidiary to Accounts 101.1 through 101.4 PIS, as applicable, compute interest at full authorized rate on the net total of the balances as of the end of the preceding fiscal year, and compute interest on current fiscal year changes on the same basis provided for initial construction (Authorized Rate).

ER 37-2-10
Change 80
25 Apr 94

* (b) Compute interest at the full rate, established for the initial project, on the net total of the balances as of the end of the preceding fiscal year, and at one-half the full current year changes, except as noted below, in the project accounts which are subsidiary to the following General Ledger accounts:

- 102. Provision for Depreciation, PIS. Exclude current fiscal year depreciation charges in this account when computing interest on current fiscal year charges.

- 108. Retirement Work in Progress.

- 179. Deferred and Other Undistributed Items.

(c) The resultant amount from these computations will be allocated to all the purposes of the project in proportion to the unrecovered construction investment in the various purposes.

31-7. Depreciation. All multiple purpose project PIS, other than fee-simple land payments, will be subject to depreciation as defined in description of GL 102. Depreciation will be based on book cost of PIS, including interest during construction and contributions in aid of construction. Effective 1 Oct 1989, with the approval of the General Accounting Office, the straight line method of depreciation is used. Annual rates will be applied to PIS accounts and such rates will be based on the estimated service lives of the depreciable assets. All depreciation will be recorded under the O&M appropriation and will be classified by project purpose. Each plant feature and subfeature account will provide the basis for classification.

31-8. Acquisition Work Orders (AWO). Capitalized items include new items, additions and betterments, that meet the criteria in chapter 1, paragraph 1-13d. Additions include facilities added to the original structure or item of operating equipment, but not replacing existing portions thereof. Betterments include improvements to structures or items of operating equipment by substitution or modification of portions of the existing property. When renewals or replacements have substantially greater capacity than that of the original parts renewed or replaced, the estimated portion of the cost of such renewal or replacement in excess of the estimated cost of replacing the original parts should be classified as betterments. All AWOs under the O&M appropriation are recorded in the maintenance accounts GL 107. Boundary line survey and marking costs chargeable to Account 21.3-, Reservoirs, will be transferred to PIS at the close of each year. The cost of property

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- * acquired as a result of trade-ins is measured by the cash paid or payable, plus the amount allowed by the seller on the traded-in property. The Corps does not trade in large significant plant items. Allocations to the joint purposes will be based on the Construction General allocation percentages, even though financed under O&M.

31-9. Retirement Work in Progress (RWO). The accounts under this caption are applicable only to multiple purpose projects. They will be supported by subsidiary accounts for each project. When pursuant to proper authorization, property is retired from service and dismantled, destroyed, transferred, sold, or otherwise disposed of, the cost or other basis of accounting is removed from the account. Removal costs shall be considered in determining the loss or gain on retirements.

a. The amounts pertaining to each work order for other than land will be transferred to Account 102, Provision for Depreciation and Amortization, when the work order is completed. The RWO breakdown under GL 102 will consist of the book cost, costs incurred to retire the plant, and salvage credits.

b. For retirement work orders relating to fee-owned land, the amounts reflecting the purchase price and other elements of retirement work will be transferred to Account 136.6, Non-Reimbursable Costs - Net Gain or Loss on Retirement of Land (Multiple-Purpose Projects), and 137.2, Status of Cost Recovery - Reimbursable Costs = Net Gain or Loss on Retirement of Land (Multiple-Purpose Projects) as applicable. Acquisition expenses and interest charged to construction relating to fee-owned land retired will not be transferred from PIS accounts but will be amortized over the life of the project.

31-10. Cost and Investment Recovery.

a. The legal requirements with respect to plant used for the production of salable power or other reimbursable services are that the rates charged for such power or services be sufficient to recover the government investment allocated to the reimbursable portion of the project over a reasonable period of years. Usually, the period of such recovery does not extend to the same period as estimated for the useful service life of the project. The gross investment recovery is reflected by the sum of Accounts 102, Provision for Depreciation and Amortization, PIS; and GL 137.1 and GL 137.2.

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ER 37-2-10
Change 80
25 Apr 94

- * b. The income of the reimbursable functions of the project, less the amounts of expense, depreciation and amortization, and interest charged to operations, will be reflected in GL 137.1, Results from Operations. In addition, the net gain or loss on retirement of land relating to reimbursable functions will be reflected in GL 137.2, Gain or Loss on Retirement of Land (multiple-purpose projects). The sum of GL 137.1 and 137.2 will reflect the net recovery of costs on an operating cost basis, including amounts for depreciation and amortization of PIS.

31-11. Allocation of Actual Operation and Maintenance Expenses

a. Basis. The basis for allocating actual costs for multiple-purpose projects to the various functions served is for engineering determination and is contained in the basic project cost allocation as outlined in ER 11050-2-100.

b. Procedure.

(1) Actual operating expenses will be recorded in the project cost records under the 01 through 19 series of accounts. Such accounts, except account 19, Supervision and Administration, can generally be readily identified with specific or joint use facilities. Similar identification of operating supervision and administration costs, Account 19, can be obtained by worksheet distribution thereof to all other operating expense accounts. Operating expenses applicable to joint use facilities will be allocated to the various project purposes on the basis of allocation of joint operation and maintenance costs in the basic cost allocation study.

(2) Actual maintenance expenses will be recorded under the 20 through 35 series of accounts; and, for major and minor rehabilitation, under the 01 through 53 series of accounts. These accounts can be readily identified with specific or joint use facilities. Maintenance expenses applicable to joint use facilities, excluding costs relating to additions to or retirements of PIS, will be allocated to project purposes on the basis of the allocation of operation and maintenance expense contained in the basic cost allocation study. Joint use maintenance expenses applicable to additions to or retirements of PIS will be allocated to project purposes in accordance with the allocation of construction costs in the basic project cost allocation study.

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* 31-12. Capital Plant Accounting, Additions, Replacements, Major Repairs, and Betterments.

a. General. Estimating, budgeting, accounting, and reporting of all elements of plant costs will be in conformance with the uniform list of plant items and retirement units and related service lives prescribed in Appendix A.

b. Capital Plant Records. Project PIS will be inventoried at the level of principal items and sub-items prescribed for each feature and subfeature account, and the inventories will be priced. Such priced inventories will constitute capital plant records. If the project construction and operating records do not contain adequate data for determination of the plant inventory list, a physical count of the items will be required. Capital plant records should be maintained in such a manner that data may be available with respect to major plant additions, replacements, and retirements for future plant mortality studies, etc.

c. Pricing Capital Plant Inventories.

(1) General. Priced inventories for each project plant feature and subfeature account will reflect balances or related PIS accounts. The elements of construction or acquisition (including installation when applicable) cost (including contributions in aid of construction) and interest during construction will be separately priced for each feature and subfeature.

(2) Pricing Bases.

(a) Construction or Acquisition Costs.

1 General. The basic cost of each item in the plant inventory will be direct construction or acquisition cost thereof. Distributive costs (E&D, S&A, etc,) applicable to each feature or subfeature will be assigned to individual plant items on the basis of such direct cost. When project records are not adequate for assignment of cost to plant items, the construction cost of a feature or subfeature will be assigned to applicable plant items by engineering analysis and determination. Such assignment of cost should be performed by qualified technical personnel who possess adequate knowledge of the project involved, applying such knowledge with judgment and discretion. *

ER 37-2-10
Change 80
25 Apr 94

* 2 Progressive Interim Transfers to PIS. Interim plant inventories will be prepared to reflect total PIS or available for service as of each progressive in-service date during the continuously scheduled construction program. Except at the final interim progressive in-service date, all interim inventories will reflect the portion of total estimated project construction cost in PIS accounts. The final interim inventory will reflect the total actual construction cost incurred to the final in-service date. The basis for pricing of individual interim inventory items will be either the estimated or actual direct construction cost assignable thereto, as applicable. At each fiscal year-end, the final interim inventory will be updated to include additional costs transferred to PIS at the fiscal year-end.

3 Updating Plant Inventories. After the final interim in-service date, the project plant inventory will be updated at each fiscal year-end to reflect changes to PIS resulting from routine retirements, additions, or replacements of plant during the fiscal year. Basis for pricing individual items added to PIS will be construction or acquisition cost reflected in the applicable maintenance work order cost accounts. Plant items will be retired from service at the construction or acquisition cost indicated therefor in current capital plant records, and the next updated inventory will reflect such retirements.

4 Separately Authorized Modifications. When additions or replacements of plant result from separately authorized project modifications, individual plant items added will be priced in the same manner as initial project construction, as set forth above. Pricing of items removed from service as the result of such modifications will be the same as for routine retirements.

(b) Interest During Construction. Total interest during construction included in each PIS feature or subfeature account will be assigned to applicable plant items in service on the basis of the total construction or acquisition cost of each item.

(c) Plant Additions, Replacements, Betterments, Retirements, and Major Repairs. The cost of such activities, whether funded under the Operation and Maintenance appropriation or the rehabilitation category of the Construction, General appropriation, shall be accounted for as either capital plant costs or maintenance expense in accordance with the provisions of Appendix A. *

* 31-13. Composite Service Lives.

a. General. Composite plant service lives will be established for each plant feature or subfeature account to provide the bases for depreciation and amortization computations. Composite service lives will be computed on the basis of priced plant inventories and the service lives prescribed for principal plant items in Appendix A, using the procedure depicted in Illustration 31/1.

b. Interim Composite Service Lives - Estimated Cost. Composite service lives will be established no later than the initial progressive in-service date for interim use during the progressive project in-service period. Computation of interim composite lives will be based upon the total estimated construction cost assigned to each plant inventory item of each feature and subfeature plant account, and the applicable service lives prescribed in Appendix A. If, with respect to one or more project features or subfeatures or the total project, the scope of the construction program and/or the estimated construction cost is revised during the construction period to the extent that interim composite service lives would be changed, such interim lives will be recomputed and the revised interim lives will be used thereafter.

c. Final Composite Service Lives - Actual Cost. Upon final progressive interim transfer to PIS, final composite service lives will be computed substituting actual total construction cost for estimated total cost. The final composite lives will be used thereafter. Retroactive depreciation adjustments based on the recomputed service lives will not be made without prior approval of the Chief of Engineers. In the event such adjustments are considered warranted, request for approval thereof will be submitted to HQUSACE (CERM-F), WASH DC 20314-1000, citing all pertinent information.

d. Updating and Recomputing Final Composite Lives. Such service lives will be updated and recomputed only when the nature of additions, retirements, or replacements of capital plant would materially affect the composite lives of one or more features or subfeatures. Such recomputed service lives will be effective as of the date of the change in capital plant which resulted in the recomputation, and will not be applied retroactively.

e. Submission Procedure. Two copies of the initial interim composite life computations for each project, in the format of Illustration 31/1, will be submitted to HQUSACE (CERN-F) within

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ER 37-2-10
Change 80
25 Apr 94

- * 90 days after the initial project in-service date. Also, two copies of the basic final composite life computations will be submitted within 90 days after the final progressive in-service date. One copy of each submittal will be marked for HQUSACE (CECW-OM), WASH DC 20314-1000, and the other to HQUSACE (CERM-F), WASH DC 20314-1000.

31-14. End-of-Year Checklist.

a. Before Closing Month of September:

(1) Verify Chart B, general ledgers, and cost records are in balance.

(2) Verify purpose codes for each charge number are established and correct.

(3) Verify O&M Gen accounts assigned GL 107 are correct.

b. After Closing Month of September:

(1) Distribute 50, 51, 52, 53, 650, 651, 652, and 653 to appropriate permanent features.

(2) Record payment to states.

(3) Record income from power marketing agency, headwater benefits, and income from power used by the project.

(4) Compute and record interest to operations and interest during construction.

(5) Compute and record depreciation.

c. After Processing End-of-Year:

(1) Verify GLs 171, 161, 162, and 163 have a zero balance.

(2) Verify Chart B, general ledgers and cost records are in balance.

(3) Prepare and mail financial statements. (Suggested format at Appendix B.)

31-15. Pro-Forma Entries for Multiple-Purpose Projects

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- * a. To Record Interest on Net Investment:
- Dr: 171 Operation and Maintenance Expense.
Cr: 134 Interest on Government Investment.
Entry will be supported by interest computations.
- b. To Record Interest Capitalized:
- Dr: 107 Construction Work in Progress - (Cost Account -
Undistributed Interest During Construction).
Cr: 134 Interest on Government Investment.
Entry will be supported by interest computations
- c. To Record Depreciation on Plant, Property, and
Equipment:
- Dr: 171 Operation and Maintenance Expense.
Cr: 102 Provisions for Depreciation - Plant in
Service.
Entry will be supported by depreciation computations
- d. To Record Collections Made by Other Government
Agencies:
- Dr: 135.2 Funds Returned to Treasury by Other
Government Agencies.
Cr: 161 Operating Income.
162 Credits to Operations.
163 Nonoperating Income.
Entry is normally supported by interagency agreements, etc.
- e. To Close Income Accounts:
- Dr: 161 Operating Income.
162 Credits to Operations.
163 Nonoperating Income.
Cr: 136.- (Non-reimbursable Costs).
137.1 Results from Operations.
137.3 Investment Recovery on Non-Revenue Purposes
or Non-Multiple-Purpose Projects.

For revenue producing operations, close the income accounts to 137.1, Results from Operations; for reimbursable purpose without producing operations, all applicable non-operating income should be closed to 137.3; for all others, use only 136.- (Non-reimbursable Costs).

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ER 37-2-10
Change 80
25 Apr 94

* f. To Close Expense Accounts:

Dr: 136.- (Non-reimbursable Costs).
137.1 Results from Operations.
137.3 Investment Recovery on Non-Revenue Purposes
or Non-Multiple-Purpose Projects.
Cr: 171 Operation and Maintenance Expense.

For revenue-producing operations, close the applicable expenses to 137.1, Results from Operations; for reimbursable purposes without revenue-producing operations, close the applicable expenses (depreciation) to 137.3; for all others, use only 136.- (Nonreimbursable Costs).

g. Transfer of Completed Construction Work in Progress to PIS:

Dr: 101.- Plant-in-Service.
Cr: 107 Construction Work in Progress.
Entry will be supported by work order completion reports.

h. Retirement of PIS:

(1) Transfer of Book Cost of Plant to be retired to Retirement Work in Process.

Dr: 108.1 Plant, Property & Equipment in Process of Retirement.
Cr: 101.- Plant-in-Service.
Entry will be supported by authorization for retirement.

(2) Completion of Retirement:

(a) Land only

Dr: 108.3 Retirement Receipts.
136.6 Non-reimb Costs-Net Gain or Loss on Retirement of Land (Multiple-Purpose Projects).
137.2 Reimb Costs-Net Gain or Loss on Retirement of Land (Multiple-Purpose Projects).
Cr: 108.1 Plant, Property and Equipment in Process of Retirement.
108.2 Retirement Work.

This entry will be used when a loss is incurred. In case of a gain on retirement, Accounts 136.6 and 137.2 would be credited.

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ER 37-2-10
Change 80
25 Apr 94

* (b) Other than Land:

Dr: 102 Provision for Depreciation, PIS.
108.3 Retirement Receipts.
Cr: 108.1 Plant, Property and Equipment in
Process of Retirement.
108.2 Retirement Work.

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