Financial Administration
FINANCIAL MANAGEMENT OF CAPITAL INVESTMENTS

1. This Change 1 to ER 37-1-29, 30 November 2002, adds Base-Level Commercial Equipment Program, Chapter 5.

Note: Chapter 5 of this regulation supersedes ER 37-3-21, dated 10 March 1991.

2. Substitute the attached as shown below:

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3. Distribution. Approved for public release, distribution is unlimited.

FOR THE COMMANDER:

MICHAEL J. WALSH
Colonel, Corps of Engineers
Chief of Staff
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CHAPTER 1
INTRODUCTION

1-1. Purpose. This regulation defines the policies and procedures for the management of capital assets obtained by the U.S. Army Corps of Engineers used in providing goods or services. It prescribes the procedures for programming, budgeting, allocating funds, utilization, calculation of costs and reporting requirements for the Revolving Fund, Plant Replacement Improvement Program (PRIP), project specific, and Operations and Maintenance, Other Procurement, Army (O&M, OPA). It does not apply to Federal mission, heritage, stewardship assets or assets specifically authorized in legislation.

1-2. Applicability. This document applies to all Headquarters, U.S. Army Corps of Engineers (HQUSACE) elements and all USACE Commands having capital assets funded by the Revolving Fund, Civil Works projects, or Military appropriations.

1-3. Distribution. Approved for public release; distribution is unlimited.

1-4. References.


      (1) Volume 4, Accounting Policy and Procedures.

      (2) Volume 2B, Budget Formulation and Presentation, Chapters 4-19.

(4) DOD Policy on Internal Use Software.

e. DFAS Manual 37-100-**, The Army Management Structure, Chapter AO-2035.

f. Army Regulations and Manuals.

(1) AR 415-15, Army Military Construction Program Development and Execution.

(2) AR 10-85, United States Army Cost and Economic Analysis Center.

(3) AR 11-18, The Cost and Economic Analysis Program.

(4) AR 25-1, Army Information Management.

(5) AR 71-31, Force Development And Documentation - Consolidated Policies.

(6) AR 750-43, Army Test, Management And Diagnostic Equipment Program.

(7) DA Economic Analysis Manual.


g. Engineer Regulations (ERs) and Engineer Pamphlets (EPs).

(1) ER 37-1-28, Continuing Resolution Authority (CRA).

(2) ER 37-1-30, Financial Administration - Accounting and Reporting.

(3) ER 37-2-10, Accounting and Reporting Civil Works Activities (superceded by ER 37-1-30, Financial Administration - Accounting and Reporting).
1-5. **Precedence of Regulations.** Except as specifically authorized in this policy or other written guidance, USACE will follow SFFAS, Department of Defense Regulations (DODR) or Army Regulations (AR). The hierarchy of accounting standards is stipulated in DOD 7000.14-R, Volume 1.

1-6. **Definitions.** See Glossary.

1-7. **Statutory Authority.**


   b. Project authority is contained in each project authorization document.

1-8. **Policy.** It is the policy of the USACE that all capital assets and charges for use of these assets, as applicable, are fair, reasonable, and realistic.

1-9. **Responsibilities.** The Commander, USACE, has delegated the authority for financial control of the Command's capital investment program to the Directorate of Resource Management (CERM).
revoking PRIP funds, PRIP acquisition/justification process, the PRIP five-year Scheduling Plan, the PRIP threshold concept, and the classification and management of the PRIP categories.

(b) Annual Budget Development guidance addresses submission due dates and required documentation to justify requests for new minor and major items; continuing minor and major items; and five-year plans. Also, new policy requirements will be provided through annual budget guidance until incorporated into the regulation.

(c) Accounting policy includes capital investments threshold determination, useful life, General Ledgers posting, use of PRIP, Plant-in-Service, PRIP transfers in/out, plant insurance, depreciation and plant increment rates, losses and damages of PRIP properties, plant operating accounts, plant disposal/retirement/sale, and conversion/reclassification of PRIP properties.

(2) Provide overall financial management of the capital investment program and cash management of the revolving fund.

(3) Solicit input from Headquarters and field-level functional proponents for specific investment proposals to accomplish mission, program goals, and prioritize projects.

(4) Present the Command’s proposed Capital Investment Program to the Senior Program and Budget Advisory Committee (SPBAC) for review and approval.

(5) Notify MSCs of the approved annual Capital Investment Program. Assign PRIP Project Codes to approved plant items. Issue Work Allowances and Fund Authorization Documents in support of approved programs.

(6) Monitor plans and execution of current year Capital Investment Program to maximize fund utility.

(7) The HQUSACE PRIP Manager facilitates the command-wide coordination, review, prioritization, and approval of the program.

(8) The Humphrey’s Engineering Command Support Activity
(HECSA) will serve as the National Capital Area PRIP Manager to service all initiatives sponsored by HQ functional proponents.

b. The Directorate of Civil Works will:

(1) Serve as HQUSACE functional proponent for the technical review and prioritization of all Civil Works capital investment program requests across USACE.

(2) Submit a recommended Command Civil Works Capital Investment Program to CERM in accordance with annual budgetary guidance.

(3) In conjunction with the Directorate of Resource Management, prepare/submit the Civil Works budgetary schedules for inclusion in the annual budget submission.

(4) Coordinate the Major Item, New Starts (MINS) requests of the Command’s approved capital investment program with ASA(CW), OMB and Congress.

(5) Notify Congress whenever the Major Item authorized amount has a change of 10% or more; when a change causes a minor item to exceed the MINS threshold; and when a change in scope occurs.

(6) Issue additional guidance to subordinate activities as necessary to ensure compliance with this regulation.

(7) Periodically evaluate and recommend adjustment of capital asset and MINS thresholds.

c. The Directorate of Research and Development will:

(1) Serve as the equivalent of a division commander, and directors of research facilities will serve as the equivalents of district commanders for purposes of this regulation.

(2) Review requests from all subordinate research and development elements for current year and programs for future years (five-year plan) to ensure that requirements are realistic and compatible with construction and workload schedules.
(3) Prioritize requests from research and development facilities and coordinate with Directorate of Civil Works where applicable.

(4) Coordinate with the Directorate of Resource Management prior to completing any actions.

(5) Issue additional guidance to subordinate activities as necessary to ensure compliance with this regulation.

d. The Directorate of Logistics will:

(1) Serve as HQUSACE proponent to ensure a valid source document is cited for the authorization of capital assets.

(2) Serve as HQUSACE functional proponent for all capital investment program requests, such as land, structures, aircraft, buildings, office space, furniture systems, equipment and general use vehicles, coordinating with the Directorate for Civil Works where applicable, and ensuring that requests are supported by documented authorizations.

(3) Prioritize Logistics requests for the capital investment program across USACE.

(4) Coordinate with the Directorate of Resource Management prior to completing any actions.

(5) Provide additional guidance to logistics components to ensure compliance with this regulation

(6) Implement controls to prevent costs for MACOM or MSC, Center, District or FOA approved projects from exceeding approval limits for Army minor construction and authorizations for maintenance and repair projects; also, establish controls to maintain admin space utilization within minimum and maximum rates.

e. The Directorate of Corporate Information will:

(1) Serve as HQUSACE functional proponent for Information Technology (IT) investments such as communications, electronics,
audiovisual, photographic, reproduction equipment, and information technology software and equipment, coordinating with the Directorate for Civil Works, Logistics, and Resource Management where applicable.

(2) Prioritize requests for IT investments across USACE.

(3) Coordinate with the Directorate of Resource Management prior to completing any actions.

(4) Issue additional guidance to subordinate activities as necessary to ensure compliance with this regulation.

f. The Directorate of Real Estate will:

(1) Serve as HQUSACE real estate, functional proponent for all real property capital investments, validating those requiring Title 10 approval, and coordinating with the Directorate of Logistics and Civil Works where applicable.

(2) Prioritizes and provides HQDA/Congressional liaison for Title 10 requests for real property investments across USACE.

(3) Coordinate with the Directorate of Resource Management prior to completing any actions.

(4) Issue additional guidance to subordinate activities as necessary to ensure compliance with this regulation.

(5) Assure funds from real property disposal actions are credited to the Revolving Fund.

g. Marine Design Center. In this regulation, where reference is made to division commanders, it will be understood to include the Director of the Marine Design Center.

h. Commanders/Directors at Major Subordinate Commands (MSCs) or Field Operating Activities (FOAs) will:

(1) Appoint a capital investment program manager/coordinator/PRIP Manager in Resource Management to assure development of a comprehensive capital asset program in support
of the district’s Revolving Fund, Civil Works projects, or military appropriations. The PRIP Manager will:

(a) Establish and maintain a schedule of budget formulation and submission of capital asset program.

(b) Analyze and review the technical elements’ requests for capital assets for supporting documentation IAW annual budgetary guidance, to include approvals by Logistics and Information Management divisions, where applicable.

(c) Consolidate the technical elements’ capital asset requests into the district’s capital asset program for presentation to the Senior Program and Budget Advisory Committee/MSC/FOA Commander/Director.

(2) Review and approve district and division requests for program submission to HQUSACE for the current year and programs for future fiscal years. Capital investment proposals will be evaluated to ensure they are realistic and compatible with the mission of the Corps, construction schedules and workloads.

(3) Prioritize all proposed capital investments for the command, to include division requirements for approval by the Regional Business Center.

(4) Compile lists, estimates, and reports from district commanders for forwarding to CERM-BA in support of MSCs’/FOA’s’ approved Capital Investment Program.

(5) Notify districts of approved annual program.

(6) Monitor districts’ use of funds and plant, schedules, work activities, and budgets to optimize use of the Corps capital investment funds.

(7) Issue additional guidance to subordinate activities as necessary to ensure compliance with this regulation.
(8) Perform Quality Assurance Reviews on capital assets to ensure timely capitalization, adequate usage rates and CFO (Chief Financial Officer) requirements are met.

(9) Insure Districts, Labs and FOA accomplish short-and-long-range planning, with local Commander’s/Director’s approval, for future development on which to base their capital investment programs.

i. Commanders/Directors at Districts/FOAs, will:

(1) Appoint a capital investment program manager/coordinator/PRIP Manager in Resource Management to assure development of a comprehensive capital asset program in support of the district’s Revolving Fund, Civil Works projects, or military appropriations. The PRIP Manager will:

(a) Establish and maintain a schedule of budget formulation and submission of capital asset program.

(b) Analyze and review the technical elements’ requests for capital assets for supporting documentation IAW annual budgetary guidance, to include approvals by Logistics and Information Management Divisions, where applicable.

(c) Consolidate the technical elements’ capital asset requests into the district’s capital asset program for presentation to the Senior Program and Budget Advisory Committee/District Commander (SPBAC).

(2) Prioritize and approve district capital asset acquisition proposals through the Senior Program and Budget Advisory Committee.

(3) Assign asset documentation accountability and require an analysis of operating accounts and adjustment of the same as required.

j. The Directorates of Resource Management at HQ, Districts/Division, and FOAs will:
(1) Establish and maintain capitalized asset discipline within the organization.

(2) Publish local implementing policies and procedures in compliance with this regulation.

(3) Send requests through command channels for clarification of regulatory guidance. Deviation from capitalized asset policy contained herein requires approval from HQUSACE and, in some cases, higher authority.

(4) Notify technical elements (Directorates) of approved annual Capital Investment Program. HQ issues and Corps activities receive Work Allowances and Fund Authorization Documents in support of approved programs.

(5) Monitor planning and execution of the current year capital investment program, ensuring optimal use of available funds and timely release of funds determined to be excess to approved program.

(6) Consolidate and coordinate the review, prioritization and approval of the Command’s capital investment requests through the Program Budget Advisory Committee (PBAC) process.

(7) Submit the formulated capital investment program plan in accordance with annual budgetary guidance. The submitted plan requires the District/Division Commander’s approval prior to submission to Headquarters for Command review and approval.

(8) Headquarters capital investment initiatives require HQ Staff coordination and submission to the Senior Program Budget Advisory Committee (SPBAC) for approval.

k. All HQ USACE Directorates and Offices, and District/Division and FOAs will:

(1) Determine capital investment requirements for current year and programs for future years (five-year plan) for their respective directorates.
(a) Estimate Investment Cost for each asset. Perform quality assurance checks to document significant cost increases/decreases.

(b) Prepare an Affordability Analysis to support plant acquisitions.

(c) Prepare an Economic Analysis, if applicable to support plant acquisitions.

(d) Prepare a Justification Statement to support major item capital asset acquisitions and changes in scope 10 percent or greater.

(e) Prioritize, approve and submit capital investment plan and requirements to the PRIP Program Manager in accordance with annual budgetary guidance.

(2) Execute annually the approved and funded capital investment program as planned.

(3) Issue additional guidance to subordinate activities as necessary to ensure compliance with this regulation.

1-10. Record Keeping.

a. The District Resource Management Officer will serve as the Capitalized Assets Accountable Officer (CAAO). Program and Project Management, Resource Management, Real Estate, Operations, Engineering and Construction, Logistics, Information Management, and Contracting offices will be responsible for creating and maintaining capitalized asset records as well as making them available to the CAAO as needed. All capitalized assets files will be retained 10 years after the disposal of the asset. The ENG Form 3013, Work Order/Completion Report, along
with supporting documentation will be maintained and disposed of IAW AR 25-400-2, The Modern Army Recordkeeping System, Appendix B, FN: 1125-2-300a, Authority: NC1-AU-85-44.

b. Supporting documentation may include initial PRIP justification sheets (ENG Form 4943-R), copies of PRIP work allowances, ENG Form 3013, obligating documents (e.g., purchase requests, invoices, receiving reports, labor reports, other in-house costs), plant increment waivers, addition and betterment, ENG Forms 3013, and/or disposal work orders.
CHAPTER 2

CAPITAL ASSETS

2-1. Purpose. Define general policies for the acquisition supervision and administration of capital assets obtained by the USACE.


a. General. Capital assets are the tangible and intangible resources used directly or indirectly in the execution of USACE mission requirements, including program management and execution, and in project design, construction, and operation and maintenance. Capital assets include, but are not limited to, information technology hardware and software; vehicles; buildings and other structures; floating plant including dredges; construction equipment; real property; tools and equipment; communications; and aircraft.

b. Distinguishing characteristics. Capital assets have an expected useful life of at least two years and an acquisition cost that meets or exceeds the expense-investment funding threshold applicable at the time of acquisition. This threshold is subject to intermittent revision; the threshold change shall be applied prospectively. Assets capitalized in accordance with previous thresholds will continue to be capitalized and depreciated as applicable without regard to changes in the threshold.

2-3. Capitalization Threshold. Capitalization thresholds can be found in Appendix A.

2-4. Capitalization Basis. Capital assets acquired must be recorded at full cost. Full cost will include payments to vendors and/or contractors; shipping and/or delivery charges; handling and storage costs; labor and other direct or indirect production costs (for assets produced, designed or constructed by government forces); engineering, architectural, and other like outside services for design, plans, specifications, and surveys; acquisition and preparation costs of land, buildings,
and other facilities; inspection, supervision, and administration of construction contracts and construction work; as-built drawings, operating manuals, and like items; labor, materials, supplies, and other direct charges; legal and recording fees and damage claims (real property only); improvements, additions, and betterments; and other costs of obtaining assets in their current form and place as appropriate. Full cost does not include the cost of repairing or overhauling a piece of equipment damaged during shipment (FOB shipping point). Such costs will be charged to current operating expense.

2-5. Acquisition/Ownership Requirements.

a. Ownership of capital assets will be based on authorized mission requirements that cannot be accomplished safely or economically by other means, including the use of leased assets. Economic analysis will take into account the estimated duration of the requirement and all costs of acquisition and ownership, including costs of rehabilitation and/or upgrading to meet new technological standards.

b. Capital assets will be maintained to ensure continued safe use, to maximize availability to meet mission requirements, and to retain the highest level of efficiency of operation.

c. Periodic reviews will be performed to determine the continued requirement for capital asset ownership to meet mission requirements, including economic viability of the existing assets in meeting this requirement and safety of operation.

d. Justification for additions and betterments, rehabilitation, replacement, or retention in service of a capital asset, including an asset that is considered to be obsolete or which has reached the end of its estimated life, will be based on a safety review and an economic analysis, which considers all alternatives, including the use of leased assets.

e. Capital assets that are no longer required to meet mission requirements, that are unsafe, and/or that are no longer
economically viable will be disposed of promptly.

2-6. Funding. Funding for the acquisition, operation and maintenance, and replacement of capital assets varies depending on the authorized mission for which the asset is required:

    a. Single Civil Works project or program. All funding is from project or program funds.

    b. Multiple Civil Works projects or programs, or exclusively Civil Works districts or separate field operating activities. Acquisition, additions and betterments, or replacement funding is from the Revolving Fund Plant Replacement and Improvement Program (PRIP).

    c. Single military project or program, multiple military projects or programs, primarily military districts or separate field operating activities, DA or DoD mandate. Acquisition, additions and betterments, or replacement funding is from Other Procurement, Army Based Commercial Equipment (OPA3) Funds. Operations and maintenance and rehabilitation funding is from Operation and Maintenance, Army (OMA) funds.

    d. Joint Civil Works and military projects and programs acquisition, additions and betterments, or replacement funding is from the Revolving Fund Plant Replacement and Improvement Program (PRIP) when the assets are required for Civil Works projects or programs and utilization in support of military projects and programs is incidental. Revolving Fund, PRIP must be reimbursed for the entire military share within the fiscal year of the acquisition. When utilization in support of military projects and programs is not incidental, but requires additional capacity or capabilities, then funding for the additional capacity or capability must be from military capital acquisition or operations and maintenance accounts current at the time of acquisition.

2-7. Use of Public Property. USACE capital assets are public property and will be used only for the accomplishment of authorized projects or programs. Even the appearance of misuse
of public property is to be avoided. See ER 1130-2-500, Chapter 7, section IV, "Use, Loan, Lease, and Hire of Plant".
CHAPTER 3

RESOURCING CAPITAL ASSETS

3-1. **Purpose.** This chapter describes the methodology for resourcing capital assets financed by the Revolving Fund, Military, Civil Works appropriations.

3-2. **Definition of Resourcing Capital Assets.** Resourcing capital assets is the process of engaging resources (i.e., funds, manpower, etc.) with the business functions to support the acquisition of major investments and make the program self-sustaining. It encompasses a wide range of strategies -- from income generation practices such as plant increment rates to the repayment of borrowed funds through depreciation recovery.

3-3. **Responsibilities for Resourcing Capital Assets.** The Director of Resource Management (RM) is responsible for ensuring that all capital assets are placed-in-service upon receipt, and corresponding accounting procedures (i.e., depreciation, plant increment, etc.) are initiated in the Corps of Engineers Financial Management System (CEFMS), and useable project owned capital assets that are no longer needed are transferred to another project or disposed of properly. Although RM is the principal proponent for resourcing capital assets, the technical proponent will participate actively in this area.

3-4. **Revolving Fund Capital Assets.** Since 1953, USACE has been authorized by Congress to use the Revolving Fund to acquire capital assets when they serve more than one Civil Works project and the administration of Corps offices. It is also permissible to finance certain multiple-use capital assets that support both civil and military programs/projects. The resourcing mechanism for acquiring capital assets through the Revolving Fund is called the Plant Replacement and Improvement Program, or PRIP. PRIP is a tool that benefits the entire Corps of Engineers. In order for PRIP to be managed successfully, the following business practices must be strictly adhered to:
a. Headquarters is the purse manager for PRIP and oversees all capital assets to support the Corps mission. In order to monitor and track PRIP revenue and requirements, the Managerial Analysis of Revolving Fund "Cash" Availability report was developed. The report is prepared by CERM using the currently approved five-year plan and financial reports. Although the intent of the report is to monitor the Revolving Fund corpus, it also computes the total actual PRIP allocation available for subsequent fiscal years. A sample report is available at Figure 3-1.
Managerial Analysis of Revolving Fund “Cash” Availability
(Consolidated from all Corps Financial Statements)

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</tr>
<tr>
<td><strong>Fund Reserves:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Less: Plant Maintenance</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accrued Payroll/Leave Balance</td>
<td></td>
<td></td>
<td></td>
<td></td>
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</tr>
<tr>
<td>Insurance</td>
<td></td>
<td></td>
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<td></td>
</tr>
<tr>
<td>S&amp;A Accounts</td>
<td></td>
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<td></td>
<td></td>
</tr>
<tr>
<td><strong>Sub-total</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total Fund Available for PRIP and Other</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Less Available PRIP Resources</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total Un-Used Funds “Cash”</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td><strong>Analyzing PRIP Resources:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Plus: Available PRIP Resources</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Less: Current Fiscal Year PRIP Allocation</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Approved Five-Year Plan</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total Un-used PRIP Resources</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
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</tr>
</tbody>
</table>

Figure 3-1
As the report indicates, there are three Corps unique PRIP resourcing mechanisms: plant increment, depreciation recovery, and direct Congressional PRIP authorization with appropriated dollars. MSCs and FOAs may use this or a similar type analysis as they determine affordability of capital investments for their organizations.

b. CERM Capital Asset Team (work group) will resolve PRIP resourcing issues. The team is chaired by the HQUSACE RM PRIP Manager to include representative(s) from Research and Development, Resource Management, Civil Works, Counsel, Logistics, Corporate Information, Military Programs, and Real Estate. Their primary role is to find new/alternative ways for acquiring capital assets that comply with current statutes and regulations. The four key areas of responsibility are:

(1) Evaluate and make recommendations to change existing accounting policies regarding capitalization criteria (i.e., useful life, threshold, increment/inflation rates, etc.) for Corps-wide implementation.

(2) Determine the estimated total revenue for the next PRIP funding cycle and establish annual goals for each PRIP category, based on historical funding data. The goals will be the dollar limitation assigned by category before identifying PRIP requirements. Table 3-1 provides an example PRIP category investment goals.
<table>
<thead>
<tr>
<th>PRIP Category</th>
<th>Land 00</th>
<th>Buildings 05</th>
<th>Structures 10</th>
<th>Airplanes 20</th>
<th>Dredges 30</th>
<th>Floating Plant 40</th>
<th>Mobile Plant 50</th>
<th>Fixed Plant 60</th>
<th>Tool, Office Furniture and Equipment 70</th>
<th>Software 80</th>
<th>IT Equipment 90</th>
<th>Leasehold Improvement LH</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Goal %</td>
<td>0%</td>
<td>8%</td>
<td>7%</td>
<td>0%</td>
<td>20%</td>
<td>15%</td>
<td>3%</td>
<td>15%</td>
<td>12%</td>
<td>10%</td>
<td>10%</td>
<td>0%</td>
<td>100%</td>
</tr>
<tr>
<td>Goal Amount</td>
<td>$0M</td>
<td>$8M</td>
<td>$7M</td>
<td>$0M</td>
<td>$20M</td>
<td>$15M</td>
<td>$3M</td>
<td>$15M</td>
<td>$12M</td>
<td>$10M</td>
<td>$10M</td>
<td>$0M</td>
<td>$100M</td>
</tr>
<tr>
<td>Work Group Adjustments</td>
<td>-$3M</td>
<td>-$4M</td>
<td>+$5M</td>
<td>-$5M</td>
<td></td>
<td>-$2M</td>
<td>+$2M</td>
<td>-$3M</td>
<td>+$6M</td>
<td>-$4M</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Revised Amount</td>
<td>$0M</td>
<td>$5M</td>
<td>$3M</td>
<td>$0M</td>
<td>$25M</td>
<td>$10M</td>
<td>$3M</td>
<td>$15M</td>
<td>$10M</td>
<td>$12M</td>
<td>$7M</td>
<td>$6M</td>
<td>$96M</td>
</tr>
<tr>
<td>Requirements - HQ, MSC, Dist</td>
<td>$0M</td>
<td>$4.5M</td>
<td>$3M</td>
<td>$0M</td>
<td>$24.5M</td>
<td>$8.6M</td>
<td>$3.8M</td>
<td>$15M</td>
<td>$9.5M</td>
<td>$13M</td>
<td>$7.6M</td>
<td>$5.5M</td>
<td>$95M</td>
</tr>
</tbody>
</table>
The goals are based on an estimated $100 million annual PRIP program. Changes to PRIP allocation goals due to Command reprioritization will be approved by the Deputy Commanding General, USACE.

(3) Serve as an Advisory Board for all Headquarters Directorates seeking the acquisition of capital assets using PRIP, Civil or Military funds. Every directorate must follow the same business practices as the MSCs and districts when procuring capital assets. For Headquarters PRIP capital assets, the team will assist HECSA by providing such services as: (a) preparation of an affordability analysis to determine impact on Command; (b) computation of payback schedules for depreciation and plant increment; (c) reviewing economic analysis for major items and determine if outside review is required; and (d) reviewing and offering editorial changes to the Congressional justification sheets for major PRIP items.

(4) Oversee and prioritize all capital investment requirements of the Headquarters.

c. Division Commanders must appoint a PRIP Coordinator for their commands. The PRIP Coordinator plays a major role in resourcing capital assets and may establish a similar Capital Asset Team for advising District Commanders.

3-5. Military Capital Assets. The Corps' Supervision and Administration practice is another resourcing mechanism authorized by statute to support military programs. When a military field office (serving multiple projects) needs to acquire capital assets that exceed the Army's capitalization threshold, financing shall be provided by direct funding from the authorized military appropriations.

3-6. Civil Works Capital Assets. All civil works projects capital assets will be financed directly by the benefiting civil works appropriations.
CHAPTER 4

PLANT REPLACEMENT AND IMPROVEMENT PROGRAM

4-1. Purpose. To provide the policy, procedures and operating principles of the Revolving Fund and the Plant Replacement and Improvement Program (PRIP).

a. The Revolving Fund was established to be available without fiscal year limitations but with delegated authority for the following primary purposes:

(1) To acquire, operate, maintain, and repair civil works lands, structures, and other plant, serving more than one civil works project and/or multiple civil works appropriations, and meeting current capitalization criteria.

(2) To purchase, operate and maintain aircraft as authorized.

(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. The PRIP was established within the Revolving Fund to plan and provide for acquisition of Revolving Fund owned property. The Revolving Fund PRIP shall be used to acquire capitalized plant and equipment with at least a 2-year life, meeting the capital asset threshold requirements, and supporting more than one civil works project and/or appropriation. Capital assets are classified as either minor items or major items, depending on the acquisition cost of the asset. Capital assets acquired through the Revolving Fund, PRIP must be justified solely on civil works mission requirements. Revolving Fund assets may also provide incidental support to military programs, other governmental agencies, states, municipalities, individuals or corporations when not otherwise in use, provided that the
activities pay applicable usage charges. Commanders and directors will not use overhead accounts, project funds or any combination of other funding mechanisms to avoid use of the Revolving Fund, PRIP. See Appendices A thru L for exclusions and stipulations.

c. Revolving Fund, PRIP supports multiple civil works projects and/or appropriations at Corps Districts. Headquarters and MSC have oversight responsibilities of districts, with no direct involvement in the management of civil works projects. Thus, the Revolving Fund, PRIP is not an appropriate funding source for headquarters and MSC operational and facility requirements. Exceptions to this policy will be on a case-by-case basis and will require Congressional notification and authorization.

d. Additions and Betterments (A&B). Additions and betterments are defined as improvements rehabilitations, renovations, conversions, replacements or upgrades which either add something to a capital asset that was not there before, or increase the useful life, functional capacity, operating efficiency or usefulness of the asset. Additions and betterments to personal property capital assets will be capitalized only if they meet the current capitalization threshold (see Appendix A). Additions and betterments to real property capital assets will be capitalized regardless of cost.

e. Additions and Betterments 35% Rule. If the total cost of an A&B is equal to or greater than 35 percent of the estimated replacement cost of an item, then the remaining book value and the cost of the A&B will be added together to determine a new acquisition cost. A new useful life will be assigned based upon the condition of the original item and the scope of improvements resulting from the A&B. Plant increment and depreciation will begin from the date the A&B is completed using the completion date of the A&B as the new date of acquisition, the new acquisition (book) cost, and the new useful life in the computations. The total cost of A&B not meeting the 35 percent criteria will increase the book cost to be used in the computations with the original date of acquisition and the original useful life.

f. Revolving Fund Reimbursement. The Revolving Fund is 4-2
operated entirely within its own resources rather than from annual appropriations, making it necessary for prompt reimbursement to be obtained from the using appropriations or projects for services rendered in order that sufficient funds are available for continued operation.

(1) Repayment of the Revolving Fund, PRIP investment is in the form of depreciation and plant increment charges, which are included in the plant rental rate computed for each asset. Plant rental rate computation guidance is provided in Appendix B. Depreciation and plant increment charges are the only constant source of funds available to finance Revolving Fund, PRIP requirements. Therefore, new acquisitions and additions and betterments should be transferred to plant-in-service in accordance with financial regulations. Floating plant assets acquired by the Marine Design Center and Headquarters initiatives assigned to other commands will be placed in service at the actual recorded cost upon receipt by the asset-owning command. Any adjustments to the cost will be made upon receipt of additional plant cost documentation. Detailed guidance is provided in Appendix C.

(2) Documentation of Asset Valuation. Asset valuation is a pivotal element of inherent fiduciary managerial responsibility to ensure proper reimbursement of acquisition costs to the Revolving Fund. Asset valuation is based on historical cost documentation, e.g., contracting instruments, financial accounting system records, etc., or cost estimates where historical cost data is not available. A Work Order Completion Report (ENG Form 3013) will be retained for each asset as valuation documentation.

(a) Useful Life. Useful life will be determined by the asset manager subject to minimum and maximum life assignments of each asset category in the financial regulation. Asset useful life will be reviewed at least every two years. Documentation of the review will be forwarded to the PRIP Manager. Any changes to useful life will be documented and coordinated with the PRIP Manager prior to adjusting the finance and accounting system. Conditions necessitating a change in useful life include, but are not limited to: obsolescence, technological advances, changes in workload, replacement prior to full utilization of current useful life (e.g., asset with a 40 year
life replaced after 30 years of usage), etc. Fund availability cannot be used as a basis to change the useful life of an asset, for example by paying off the undepreciated balance of a continuing use asset.

(b) Depreciation. Depreciation is the allocation of the acquisition cost of an asset over its assigned useful life to the benefiting projects. Only straight-line depreciation is permitted. No salvage value will be used in calculations. See Appendix D.

(c) Increment. Plant increment is the surcharge to cover the increased cost of replacement over the original cost of an asset. Its purpose is to maintain the purchasing power of the Revolving Fund corpus. With the exception of leasehold improvements, no Revolving Fund owned asset is exempt from plant increment unless a waiver has been submitted and approved. Plant increment charges for Revolving Fund owned assets will discontinue only in those instances where such an item of plant is fully depreciated and there is no requirement for a replacement (See Appendix D). Requests for waiver of plant increment must be coordinated through Resource Management for concurrence prior to approval and are subject to the following approval thresholds:

- Directors of FOAs will submit plant increment waivers directly to CERM-F.

- MSC Commanders may approve requests to discontinue plant increment on assets with initial acquisition costs up to $300,000 and may delegate up to fifty percent of their authority to District Commanders. MSC Commanders will consolidate District/Division approved plant increment waivers and forward to CERM-F quarterly, until superceded by an automated reporting system. Quarterly reports are due to HQ, CERM-BA NLT the 15th day of the month following the end of the quarter. The report will include, as a minimum, property number, acquisition price and date waiver granted.

- Requests for waivers for assets with initial acquisition cost over $300,000 will be coordinated through the MSC and submitted to CERM-F for approval.
In the event that a waiver is approved on an item subsequently requiring replacement, plant increment must be reinstated. The waiver is reversed and increment is reinstated as if it had not ceased. This results in the unpaid increment being brought current and paid to the Revolving Fund in the current fiscal year. Plant increment will continue until the replacement item is placed in service. Reversal of the plant increment waiver will be coordinated through Resource Management in the same manner in which the waiver was first approved.

(d) Insurance is levied on Revolving Fund, PRIP assets, to fund an account from which the remaining book value or substantial repairs can be paid (See Appendix D).

e. Revolving Fund Cash Management. Successful financial management of the Revolving Fund requires accounts and operations to be frequently reviewed to ensure that costs are currently and equitably absorbed by the customers and that a sufficient cash balance is maintained in each USACE command to permit prompt liquidation of obligations as they mature. The actions listed below will help ensure maximum utilization of limited Revolving Fund resources.

(1) Cash flow projections in support of repayment of PRIP investment will be included with the annual PRIP submissions. The cash flow projections will address prior year, current year, budget-year and out-year income streams for depreciation, plant increment, and insurance. The projections will be calculated from the estimated and/or actual date the item is placed in service over its estimated useful life.

(2) Depreciation, plant increment, and insurance income are required to be transferred quarterly to Headquarters, IAW financial regulation. The amount transferred will be based on charges generated in the financial accounting system (See Appendix D).

(3) Reconciliation of assets in service in the finance and accounting system to the property book (real and personal) will be done annually to insure accurate and full reporting of income generated from depreciation, plant increment, and insurance.
(4) A review of assets in the process of acquisition (work in process) will be done at least semiannually to insure that assets are placed in service no later than the month succeeding the receipt of the receiving report, which should be completed upon constructive receipt of the asset.

(5) Obligation plans will be prepared annually for the purpose of monitoring program execution and identifying excess funds. Updated obligation plans will be submitted IAW mid-year review guidance from CERM-B.

4-2. PRIP Program Formulation

a. Major Items. Any item or system valued in excess of USACE approval authority is considered a major item. Major items require approval from the Assistant Secretary of Army, Civil Works (ASA (CW)), the Office of Management and Budget (OMB), and the Congressional Committees on Appropriations. Items and systems will not be subdivided to avoid the major item threshold. The major item threshold is defined in Appendix A.

(1) Major Item New Start (MINS)

(a) Commanders may request funds for design of new major items, provided such funding does not exceed the major item threshold prior to Congressional approval. Commanders will request authority from Headquarters, Resource Management before reprogramming current allocations to start design work on a new major item.

(b) The design effort for a major item must be completed to ensure scope and concept feasibility and reasonable accuracy of the cost estimate. The results of the design effort will be included in the project proposal and submitted, by the technical element, as a major item budget year request through the MSC to HQUSACE for submission to higher authority. There will be no exceptions to this requirement. Funds expended under minor items for lost design of a potential MINS should be expensed in the period in which the design was determined to be lost, but must be expensed no later than the end of the current fiscal year. Once the lost design is expensed to the appropriate funding account, a Memorandum will be forwarded through the
MSC/FOA to CERM-BA to request withdrawal of PRIP Authority and corresponding funding. See Appendix L for additional guidance.

(c) A narrative justification statement will be submitted using ENG Form 4613-R, Major Item New Start and Update of Continuing Major Items, Civil Works Revolving Fund, Plant Replacement and Improvement Program for each Major Item New Start. The justification must provide a clear and convincing need to satisfy an existing mission related requirement, as well as an adverse impact statement on mission accomplishment if the requested Major Item is not approved. Instructions for completing ENG Form 4613-R are in Appendix E of this regulation. All MINS requests will be reviewed by functional proponents at District, Division, and HQUSACE as appropriate.

(d) A complete MINS package will include the ENG Form 4613-R, an affordability analysis, PRIP payback schedule and a life-cycle economic analysis on new acquisition versus rehabilitation and, if applicable, an analysis of lease or rental options. The affordability analysis should look at the annual PRIP payback costs along with the annual ownership and operating costs. Any additional requirements will be provided in the annual budgetary guidance.

(e) If a district has more than one MINS to request, the items will be prioritized and so stated in a memorandum to division for review and approval. Divisions will review, approve, consolidate and prioritize districts' MINS requests and submit to Headquarters.

(f) Unapproved or unfunded MINS submissions must be revised, as appropriate, and resubmitted in subsequent years if the requirement remains valid. These items will not automatically be included in future year program(s).

(2) Continuing Major Items (CMI)

(a) Continuing major items are previously approved major items that will be executed in more than one fiscal year. For CMI, ENG Form 4613-R will be updated and submitted annually by the technical element, regardless of the need for budget year funds. Technical elements must coordinate changes in project scope, schedule, and/or costs with the Marine Design Center
where applicable and with appropriate division and headquarters review elements before submitting the updated form. The original MINS package submitted and approved will be updated whenever there is a change in scope and for cost increases of ten percent (10%) or more. Cost increases of less than 10% only require ENG Form 4613-R to be updated. Congressional notification and concurrence is required prior to funding changes in scope and cost increases of 10% or more. Thereafter, any additional cost increase irrespective of the dollar amount will require Congressional notification and concurrence prior to funding. Congressional notification will occur either in the next budget update or as an Out of Cycle Request if the authorization is needed in the current fiscal year.

(b) The request for funding authority will be submitted using ENG Form 4943-R, PRIP Plant Item Justification Sheet Funding Request, in accordance with annual budgetary guidance. Instructions for completing ENG Form 4943-R are in Appendix F of this regulation.

(3) Grouped Major Items.

(a) A Grouped Major Item may be established when determined by HQUSACE that like items or systems will be required Corps-wide, over a short period of time, and that the total costs of the grouped items will exceed the HQUSACE authority.

(b) Once Grouped Major Items are established, allocations will be made in accordance with the prioritized division list. Local PRIP managers/coordinators will coordinate funding requests, priority rankings, and allocation requirements with the local technical proponent for the Grouped Major Items.

(c) Additional information on the establishment of Grouped Major Items is given in Appendix E.

b. Minor Items.

(1) New Minor Items. Items that exceed the current capitalization threshold and do not qualify as major items are considered minor items. The capitalization and major item thresholds are defined in Appendix A.
(2) Continuing Minor Items. Some minor items require funding over multiple fiscal years. These items will take precedence over new minor items in prioritization.

(3) A narrative justification statement will be submitted using ENG Form 4943-R, PRIP Plant Item Justification Sheet. The justification must provide a clear and convincing need to satisfy an existing mission related requirement, as well as an adverse impact statement on mission accomplishment if the requested Minor Item is not approved. Instructions for completing ENG Form 4943-R are in Appendix F of this regulation. All Minor Item requests will be reviewed by functional proponents at District, Division, and HQUSACE as appropriate.

(4) Minor Items and Cost Increases. Cost increases will be monitored to ensure items can continue classification as a minor item and not require reclassification as a major item. Should the cost estimate increase so that it is equal to or greater than the MINS threshold, all work will be suspended. The item is then submitted as a MINS awaiting Congressional notification and concurrence. Congressional notification will occur either in the next budget update or as an Out of Cycle Request if the authorization is needed in the current fiscal year.

c. Asset Property Types and Categories. Major and minor items will be categorized using the property asset categories listed in financial regulations. No other category codes are authorized. Existing asset records bearing other category codes will be maintained until asset disposal. Appendix G provides descriptions of and acquisition guidance on the property asset codes acquired through the Revolving Fund, PRIP.

d. Annual Funding Authority. Annual funding authority provides obligation authority for minor items, continuing major items and approved major item new starts in the current PRIP program.

e. Budget Year Program. The budget year program represents requests for obligation authority for minor items, continuing major items, and major item new starts for the budget year. The budget year is the second year of the Five-Year PRIP
f. Affordability. An affordability analysis is a decision-making tool used in the development of the Commander’s investment portfolio and is required to support new requirements. An affordability analysis will consist of an analysis of alternatives (status quo, rental, lease/purchase, contract out the operation, and new acquisition) based on present value analysis using the current civil works budget guidance. Cash flow projections in support of operation and maintenance and repayment of investment cost (PRIP payback) will be part of the affordability analysis to support feasibility of new investments. For the purpose of this analysis, the PRIP payback is to be calculated using the inflation factor used in the economic analysis. The inflation factor and discount rate to be used in the economic analysis can be found in OMB Circular A-94, Appendix C, which is updated annually and may be downloaded from the website at: http://www.whitehouse.gov/OMB/circulars

g. PRIP Payback and Annual Insurance Schedule. A PRIP Payback and Annual Insurance Schedule is a decision-making tool used to estimate the repayment of an investment over the useful life of the asset and payment of plant increment and insurance as applicable. Plant increment and insurance extends beyond the life of the asset unless waived. An example of a PRIP payback schedule is at Table 4-1.
Table 4-1 PRIP Payback And Annual Insurance Schedule

<table>
<thead>
<tr>
<th>Title/Description of Asset to be Acquired</th>
<th>Deck Barge</th>
</tr>
</thead>
<tbody>
<tr>
<td>Asset Estimated Total Cost</td>
<td>$6,875,000</td>
</tr>
<tr>
<td>Current Fiscal Year Plant Increment Rate</td>
<td>1.05</td>
</tr>
<tr>
<td>Inflation Factor used in Economic Analysis or Calculated three (3) Year Average</td>
<td>0.01022</td>
</tr>
<tr>
<td>Number of Years Asset will be in Service. This is also the total years the asset will be Depreciated Over</td>
<td>8</td>
</tr>
<tr>
<td>Annual Estimated Depreciated Amount for Asset</td>
<td>$859,375</td>
</tr>
<tr>
<td>Date Asset will be Place in Service</td>
<td>1 Oct 02</td>
</tr>
<tr>
<td>Annual Insurance Fee Assessed on Asset</td>
<td>$0.00</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>YEAR</th>
<th>Plant Increment Factor</th>
<th>Annual Plant Increment Amount</th>
<th>Annual Insurance Fee</th>
<th>Annual Depreciation Amount</th>
<th>Total Payment</th>
</tr>
</thead>
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<tr>
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<td>859,375</td>
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<td>2</td>
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<td>122,014</td>
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<tr>
<td><strong>TOTAL</strong></td>
<td><strong>$824,914</strong></td>
<td><strong>0</strong></td>
<td><strong>$6,875,000</strong></td>
<td><strong>$7,699,914</strong></td>
<td></td>
</tr>
</tbody>
</table>

h. Contingent Liability. Reserved.

i. Five-Year PRIP Plan.

(1) PRIP estimates for the Current Year and four additional years are required for future program planning. Information submitted is used to determine the overall capital investment dollar amount and the category dollar amounts for the Budget Year and future fiscal years. The importance of a multi-year program document as a planning tool cannot be overemphasized.

(2) The five-year PRIP plan shall be prepared on ENG Form 1978-R, Plant Replacement and Improvement Program, until superseded by an automated system. Instructions for completing ENG Form 1978-R are in Appendix H of this regulation.

(3) Revisions of the five-year plan should be kept to a minimum. Future plant replacement needs should be based on, as a minimum, age, operation and maintenance requirements, replacement cost, obsolescence, continuing needs in support of 4-11
changing missions, etc. MSC Commanders may delegate authority for program revision to District Commanders. A current five-year plan, with all approved changes, will be maintained at the district and division level. Revised five-year plans will be sent to Headquarters when significant program changes occur. Otherwise, submission schedules in current budgetary guidance will be followed.

j. Program Approval Authorities.

(1) District Commanders will review, prioritize and approve minor item requests, continuing major item requests, major item new start (MINS) requests, and the Five-Year Plan to ensure they are realistic and compatible with the mission of the Corps, construction schedules and workloads for submission to the Division Commander.

(2) Division Commanders will review, prioritize and approve division-wide consolidated funding authority requirements in support of minor item requests, continuing major item requests, major item new start (MINS) requests, and the Five-Year Plan to ensure they are realistic and compatible with the mission of the Corps, construction schedules and workloads for submission to Headquarters.

(3) Headquarters will review, prioritize, and approve funding authority requests, minor items, continuing major items, and major item new starts. MINS items and continuing major items, if applicable, will be submitted through ASA (CW) and OMB to Congress for authorization. Five-year plans will be reviewed for the development of out-year program requirements.

4-3. PRIP Execution.

a. Delegation of Authorities. Division Commanders are delegated authority to reprogram funds between items in their approved annual program and from items in their approved annual program to new minor items in accordance with transfer authority as provided in the annual budgetary guidance. Existing minor items and new minor items requiring additional current year funding exceeding the current year allocation will be submitted to Headquarters for approval and funding. These items will be defined as out-of-cycle requests.
b. Out-of-Cycle Requests. PRIP items identified outside of the five-year planning process, or out-year items in the five-year plan that must be moved forward, requiring funding in the current year, are considered out-of-cycle or unfunded requirements. All out-of-cycle requirements will be approved by the local commander and submitted through the MSC to Headquarters with appropriate documentation in support thereof, to include the ENG Form 4943-R. The justification statement must address the reason(s) why the item must be funded in the current year and condition(s) that precipitated the requirement, such as, safety, health, legal, environmental considerations, etc. A description of the item and its purpose and availability of current year funds within the district/MSC must also be addressed.

c. Obligation Plan. An obligation plan will be developed for each item in the approved current year program and forwarded through the MSC to Headquarters IAW budgetary guidance.

d. Surplus/Excess Funds in current year program. If surplus funds exist on a current year approved item, all items in the current year program must be evaluated for funding shortfalls and excess funds applied thereto first. If excess funds still exist, a decision must be made to either fund future, planned minor items or return the funds to HQ. Future, planned minor items are those minor items included in the submitted five-year plan.

e. Execution Reports. Execution of the PRIP program will be based on actual obligations as reported in the Corps' financial accounting reporting system and will be compared to obligation plans to measure program performance.

f. Disposal. Requests for disposal of capital assets will be coordinated with Logistics, Real Estate, and Resource Management by the technical proponent. Prior to requesting disposal, the technical proponent will ensure the Revolving Fund has received full payback, such that the book value of the capital asset is zero. All proceeds of disposal sale will be deposited in the Revolving Fund and increment charges will cease IAW financial regulations.
5-1. Purpose. To provide necessary program background, policy, procedures, responsibilities and reporting requirements to enable Corps of Engineers Commanders to acquire Base-Level Commercial Equipment (BCE).

5-2. Program Background. There are two phases to obtaining Base-Level Commercial Equipment: the approval phase and the funding phase. Commanders/directors must identify those items of equipment, which are necessary for them to complete their military mission. They must then file the appropriate documentation to insure the equipment appears on the command’s TDA. The request for funds follows, rather than precedes, TDA approval. By having a list of all equipment needed for the organization to accomplish its military mission a commander/director can better assess the impact of non-funding. In turn, the HQUSACE can project requirements more realistically to HQDA. The HQUSACE Senior Program And Budget Advisory Committee (SPBAC) will establish priorities for funding those items of TDA approved equipment. As funds are received, those items that rank highest on the list approved by the RMAC will be funded.

5-3. Policy and Responsibilities.

a. HQUSACE Director of Resource Management (CERM-ZA) is responsible for the overall funding and administration of the Base-Level Commercial Equipment Program. In this capacity he or she will:

(1) Request from Corps commanders a prioritized list of TDA approved items to be considered for funding.

(2) Insure items identified for consideration are, in fact, TDA approved prior to funding an item.

(3) Coordinate budget formulation and execution matters with HQDA.
(4) Present TDA approved equipment items to the HQUSACE Senior Program And Budget Advisory Committee (SPBAC) with a recommended prioritization.

b. HQUSACE Director of Logistics Management (CELD-ZA) will do the necessary staff coordination and process appropriate documentation to ensure approved BCE is included on the TDA.

c. Information Technology Equipment (ITE) planned for inclusion in an organization's TDA are identified in the IT Capital Planning process and entered into the Information Technology Investment Portfolio System (ITIPS). Once entered into ITIPS it becomes part of the organization's IT Investment Portfolio. An organization's IT investments are validated by the Chief of Information Management (CIM), Director of Information Management (DIM), Chief Information Officer (CIO), appropriate to the acquisition authority delegated to the organization, and is authorized through the organization's Capital Planning Investment Control Process (CPIC).

d. USACE commanders/directors will review requirements for military funded equipment over $250,000 and submit documentation in accordance with referenced regulations to have requirements documented to their TDA. After these requirements are approved, commanders/directors will list equipment in priority sequence for funding consideration. Primary guidance on documentation preparation is contained in AR 71-13 and ER 700-1-1.

5-4. Procedures.

a. Commanders/directors at each level are required to identify which item of equipment in support of their military mission are obsolete and need upgrading. These items together with new items of equipment costing $250,000 or more must be identified and categorized whether they are standard or nonstandard items.

b. Commanders/directors should be careful to consider only items that will be exclusively used for military purposes. A "mixed-purpose" item - i.e., both military and civil works applications - must be funded via the Plant Replacement and
Improvement Program (PRIP). See Chapter 4 of this regulation. An item that has only very little incidental civil works use may be considered under BCE.

c. Request for standard items of equipment will be submitted through command channels in accordance with Chapter 2, Section X, AR 71-13, and ER 700-1-1.

d. Continuing requirements for new commercially available nonstandard items of equipment will be submitted in accordance with Chapter 2, Section XI, AR 71-13 and ER 700-1-1, which provides appropriate guidance in obtaining authorization of equipment.

e. Documentation for new equipment will be submitted to HQUSACE (CELD-T) who will review the documentation and process it to the appropriate proponent agency or office for approval. Items approved on an organization’s TDA will be forwarded to the Director of Resource Management (CERM-M) by the established suspense dates. These dates are based upon the windows available to input adjustments to the TDA.

f. Items of equipment, which are approved and documented on the organization’s TDA, may be identified by the organization for funding as budget calls are issued. Divisions, laboratories and field operating activities will be asked to prioritize items being requested for funding. The field prioritized list will be presented to the Senior Program And Budget Advisory Committee (SPBAC), which will make overall prioritization of Corps equipment to be purchased.

g. As funds are made available, items of equipment will be selected for funding using the Senior Program And Budget Advisory Committee (SPBAC) list.

h. The Director of Resource Management has two windows per year to make changes to the TDA. These are July through September and January through March. The results of updates submitted during windows are normally released forty-five days after the close of the window - November and May respectively. Only equipment which is documented in an organization’s TDA may be considered for BCE funding. Items, which are type, classified or have previously been type classified in PAM 708-3.
must be identified to the Director of Resource Management before the window updates (July or January) in order to be included in the organization's TDA.

5-5. Funding And Reporting Requirements. Annually, HQDA requires a list of items to be considered for funding in the next fiscal year. This requirement is generally due in April. The list of (Senior Program And Budget Advisory Committee) SPBAC approved equipment, maintained at HQUSACE, will be used for this purpose.
CHAPTER 6

PROJECT EQUIPMENT

Reserved.

Questions or requests for waivers to this policy will be directed through MSC commanders to HQUSACE (CERM-BA).

FOR THE COMMANDER:

[Signature]

JOSEPH SCHROEDER
Colonel, Corps of Engineers
Chief of Staff

12 Appendices
(See Table of Contents)
APPENDIX A

CAPITALIZATION AND MAJOR/MINOR ITEM THRESHOLDS

Table A-1 Capitalization and Major/Minor Item Thresholds

<table>
<thead>
<tr>
<th>Asset Type</th>
<th>Acquisition Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Civil Less than $25K</td>
</tr>
<tr>
<td>Revolving Fund Owned Asset</td>
<td>Expense</td>
</tr>
<tr>
<td>Civil Project Owned Asset</td>
<td>Expense</td>
</tr>
<tr>
<td>Military Project Owned Asset</td>
<td>N/A</td>
</tr>
</tbody>
</table>

* Real Property is capitalized, regardless of cost.
APPENDIX B

PLANT RENTAL RATE COMPUTATION

B-1. Purpose. To prescribe policy for establishing plant rental rates for revolving fund owned plant and equipment.

B-2. Policy. It is the policy of the Chief of Engineers to assure that all charges for the use of Revolving Fund owned plant and equipment are fair, reasonable, and realistic. Therefore, rental rates will be computed to reimburse the revolving fund for depreciation, insurance, operating costs, plant increment, etc., associated with major plant (non-group) and minor plant (group). USACE Commanders of MSCs, Districts, and FOAs have been delegated the responsibility for determining and reviewing plant rental rate charges. The guidance outlined below is developed to assist in the supervision, management, and administration of this program.

B-3. Major Plant (Non-Group). Included in this category are the following types of plant: aircraft, structures with an estimated replacement cost of $200,000 or more, major mobile land plant, dredges, derrickboats, tugboats, towboats, tenders, patrol boats, survey boats 40 feet or longer, debris boats, crane barges, drill boats, jet probing barges, maneuver boats, mooring barges, concrete casting plant, mechanical bank graders, mattress sinking plant, quarterboats, and any other items of plant that have an estimated replacement cost of $300,000 or more. Plant of lesser size and cost than those specified may be included in a non-group category when more detailed data is desired for this type of plant; otherwise, it is reported as a grouped item.

B-4. Minor Plant (Group). Included in this category are miscellaneous small items of floating and land plant, which may be grouped into units of the same type and of approximately the same size or service capability, such as vehicles, barges smaller than 195 feet x 35 feet, or tractors. This grouping provides a broader base for the distribution of maintenance and repair costs. A group should consist of two or more similar items, but may consist of a single item of plant if only one item of a class is owned by the USACE Command.
B-5. Plant Rental Rates. Plant rental records will be established in the Corps of Engineers Financial Management Systems (CEFMS) to set plant rental rates for Major (Non-Group) and Minor (Group) items. Instruction on how to set the plant rental rates in CEFMS can be found in the CEFMS Asset Management Users Manual (Section 12.3.14). Web-site address is: http://rmf31.usace.army.mil/cefmsdoc

The estimated cost, performance data and approval action will be performed by technical or operating personnel based on instructions contained in the financial regulations. Actual cost data will be furnished by Resource Management.

a. Major Plant (Non-Group). Plant Rental Record for each Major Plant (Non-Group) item will reflect plant ownership costs, actual and estimated fixed costs, and variable costs, and actual and estimated usage, which are all used to compute the rental rate. The rental rate is the charge to projects for use of an item of plant or equipment required to reimburse the Revolving Fund for the plant depreciation, plant insurance, and plant increment, operating costs, repairs, district overhead, and small tools associated with that item, given the estimated usage.

   (1) Plant Rental Rate record will be established in CEFMS for new Major Plant within 60 calendar days after it is placed in service. Updates to rates for existing plant will be accomplished as soon as actual cost data for the preceding fiscal year is available but no later than the 15th of November each fiscal year.

   (2) Commanders are assigned the responsibility for determining and reporting plant ownership and operating data for each item of major plant owned by the Revolving Fund.

   (3) Commanders will perform a routine quarterly review and analysis of the major plant rental rates to insure that account balances are reasonable and within allowable tolerances. When circumstances prohibit rate adjustment to nominal balance within 180 days, a justification report and account balance will be submitted through the MSC/FOA to CERM-F. Excess debit or credit balance that would materially distort the current operating rate if recovered in one year will be recovered in not more than
three years.

b. Minor Plant (Group). The Plant Rental Record in CEFMS for Minor Plant (Group) items will contain the plant name or number, acquisition date, estimated life years, original cost, total cost including additions and betterments, remaining book value, and estimated current repairs for individual items as well as the group as a whole, all of which is needed to compute rental rates. The Plant Rental Record will be updated or established promptly in CEFMS upon the establishment of an operating expense account for a new group or when a change occurs in items comprising a group. Updates to existing groups will occur at least every two fiscal years, unless changes in the group require earlier revisions.

B-6. Plant Rental Rate Computation Guidance. Engineer Form 22, Plant Rate Computations, and Engineer Form 2438, Plant Record Card – Group Items will be prepared to support the Plant Rental Record established in CEFMS. Automated version of forms may be used provided the automated version contains all required data elements.

   a. Guidelines for preparing Engineer Form 22.
COMMENTS:

Daily Plant Increment Rates: FY 89 - $50
FY 90 - $119

(a) Provision for adjustments of $47,000 to be absorbed by FY 91.

Estimates for amount of District O/H not given.

<table>
<thead>
<tr>
<th>PLANT RATE COMPUTATIONS (ER 37-2-10 and ER 37-1-29)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Date Prepared (as of date)</td>
</tr>
<tr>
<td>30 Sep 89</td>
</tr>
<tr>
<td>PLANT OWNERSHIP COSTS (Actual)</td>
</tr>
<tr>
<td>2. Estimated Life-Years</td>
</tr>
<tr>
<td>3. Original Cost</td>
</tr>
<tr>
<td>4. Additions and Betterments</td>
</tr>
<tr>
<td>5. Total Cost</td>
</tr>
<tr>
<td>6. Depreciated Credited</td>
</tr>
<tr>
<td>7. Remaining Book Value</td>
</tr>
<tr>
<td>8. Estimated Salvage Value</td>
</tr>
<tr>
<td>9. Balance to Be Depreciated</td>
</tr>
<tr>
<td>10. Estimated Remaining Life-Years</td>
</tr>
</tbody>
</table>

ENG FORM 22, Apr 85 (Front) Figure B-1 (Proponent: CECW-O)
## ANNUAL OPERATION COST (Estimated)

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>11. Depreciation</td>
<td>67,040</td>
<td>67,040</td>
<td>67,040</td>
<td>67,040</td>
</tr>
<tr>
<td>12. Plant Increment</td>
<td>3,720</td>
<td>5,959</td>
<td>5,959</td>
<td>8,938</td>
</tr>
<tr>
<td>13. District Overhead</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>14. Repairs and Replacement</td>
<td>10,000</td>
<td>35,000</td>
<td>30,000</td>
<td>30,000</td>
</tr>
<tr>
<td>15. Cessation of Work</td>
<td>14,000</td>
<td>26,000</td>
<td>16,000</td>
<td>16,400</td>
</tr>
<tr>
<td>16. Small Tools, ETC.</td>
<td>1,000</td>
<td>1,000</td>
<td>1,000</td>
<td>1,000</td>
</tr>
<tr>
<td>17. Operations</td>
<td>112,105</td>
<td>141,267</td>
<td>111,429</td>
<td>134,584</td>
</tr>
<tr>
<td>18. Provision – Overhaul Repair Adjustment</td>
<td>(-18,000)</td>
<td>0</td>
<td>(-29,000)</td>
<td>25,000 (a)</td>
</tr>
<tr>
<td>19. Total Cost</td>
<td>189,865</td>
<td>275,366</td>
<td>201,428</td>
<td>291,051</td>
</tr>
<tr>
<td>20. Estimated Days In Use</td>
<td>100</td>
<td>104</td>
<td>120</td>
<td>75</td>
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<tr>
<td>21. Daily Rate</td>
<td>1,899</td>
<td>2,648</td>
<td>1,679</td>
<td>3,881</td>
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</table>

## ANNUAL OPERATING COST (Actual)

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>24. Depreciation</td>
<td>67,040</td>
<td>67,040</td>
<td>67,040</td>
<td>67,040</td>
</tr>
<tr>
<td>25. Plant Increment</td>
<td>4,218</td>
<td>6,441</td>
<td>4,650</td>
<td></td>
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<tr>
<td>26. District Overhead</td>
<td>6,887</td>
<td>8,049</td>
<td>5,691</td>
<td></td>
</tr>
<tr>
<td>27. Repairs and Replacements</td>
<td>33,473</td>
<td>29,448</td>
<td>11,669</td>
<td></td>
</tr>
<tr>
<td>28. Cessation of Work</td>
<td>11,908</td>
<td>15,577</td>
<td>16,367</td>
<td></td>
</tr>
<tr>
<td>29. Small Tools ETC.</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td></td>
</tr>
<tr>
<td>31. Total Costs</td>
<td>271,597</td>
<td>232,422</td>
<td>233,435</td>
<td></td>
</tr>
<tr>
<td>32. Earnings</td>
<td>216,597</td>
<td>299,224</td>
<td>156,147</td>
<td></td>
</tr>
<tr>
<td>33. Net Balance</td>
<td>(-55,111)</td>
<td>66,802</td>
<td>(-77,288)</td>
<td></td>
</tr>
<tr>
<td>34. Prior Year Balance</td>
<td>17,981</td>
<td>(-37,130)</td>
<td>29,672</td>
<td>(47,616)</td>
</tr>
<tr>
<td>35. Balance To Date</td>
<td>(-37,130)</td>
<td>29,672</td>
<td>(-47,616)</td>
<td></td>
</tr>
<tr>
<td>36. Days In Use</td>
<td>114</td>
<td>113</td>
<td>93</td>
<td></td>
</tr>
</tbody>
</table>

## EXPLANATORY OR HISTORICAL DATA ON REVERSE

- Yes
- No

<table>
<thead>
<tr>
<th>District:</th>
<th>Name of Plant:</th>
<th>Type of Plant:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Louisville</td>
<td>LD 727</td>
<td>Power (Service) Barge</td>
</tr>
</tbody>
</table>

Reverse of ENG Form 22, Apr 85

Figure B-1 (continued)
(1) General Instructions.

(a) In Preparing ENG Form 22, enter data applicable to the current fiscal year in the third column; data for the two immediately preceding fiscal years in the first and second columns and estimated cost for the next fiscal year (line items 11 thru 22) in the fourth column.

(b) The estimated cost, performance data and approval action will be performed by technical or operating personnel based on the instructions contained in ER 37-2-10. Actual cost data will be furnished by the Resource Management personnel per ER 37-2-10.

(c) Data items Data Prepared (as of date), Date Built or Acquired, and Owning Appropriation or Project are self-explanatory.

(2) Line items under "PLANT OWNERSHIP COSTS (Actual)."

(a) Item 1- Prepared for (FY) - Record the fiscal year for the actual or estimated data.

(b) Item 2- Estimated Life-Years - Enter the estimated years of economic life of the plant from the date the item was placed in service or acquired. For establishing the estimated life years, consideration will be given to expected operating conditions, character of work, statistical experience of data available on similar plant, and any other factor that will affect the life of the plant. The economic life of serviceable or renovated plant or equipment should be extended or shortened appropriately, when it is reasonably anticipated that the item will continue or not continue in use beyond the initially estimated economical life.

(c) Item 3- Original Cost - Record the actual acquisition cost for all plant items procured under the Revolving Fund. When a plant item is acquired by transfer from other appropriations or Government agencies, however, the amount the transferor (prior owner) paid for the item will be noted as "unfunded." If the original cost is unknown, a reasonable estimate should be prepared. If a modification or rehabilitation of the transferred plant is required to make it suitable for its intended use by the Corps, this amount is deducted from the Original Cost and...
added to Additions and Betterments.

(d) Item 4- Additions and Betterments - Transcribe the actual cost of additions and betterments as recorded in the cost accounts. When the plant is acquired by transfer, estimates may be prepared. This should be mentioned in the space for Explanatory or Historical Data.

(e) Item 5- Total Costs - Tabulate the total of item 3 and 4. It should agree with the book value as shown in the cost records.

(f) Item 6- Depreciation Credited - Enter the total depreciation credited to date. For plant or plants acquired by transfer, the depreciation will be sum of depreciation accrued by the Corps and the depreciation by the original owner. The amount will be footnoted in the space for Explanatory or Historical Data.

(g) Item 7- Remaining Book Value - Provide the difference between amounts in item 5 minus item 6.

(h) Item 8- Estimated Salvage Value - Assign salvage value of $0.00 to all items of plant unless an exemption is requested and approved by CECW-OM-B. Upon approval, enter the salvage value as appropriate.

(i) Item 9- Balance to be Depreciated - Furnish the difference between the amounts in item 7 minus item 8.

(j) Item 10- Estimated Remaining Life Years - Record the difference in years between item 2 and the actual years the plant has been in use (to one decimal place). The years and months decimally should coincide with the time depreciation has been credited. To compute the estimated remaining life, subtract the Date Built or Acquired. Subtract the result from the Estimated Life Years and convert to one decimal point. For Example

<table>
<thead>
<tr>
<th>Date ENG Form 22 Prepared</th>
<th>MON</th>
<th>YR</th>
<th>YR</th>
<th>MO</th>
</tr>
</thead>
<tbody>
<tr>
<td>Date Built</td>
<td></td>
<td></td>
<td>69</td>
<td></td>
</tr>
</tbody>
</table>

\[
\text{Date ENG Form 22 Prepared: Jul 91 = 91 7} \\
\text{Date Built: Sep 69 = 69 9} \\
\text{21 10 = 21.8 yrs}
\]
This entry for item 10 with an Estimated Life-Years (item 2) of 40 years would be (40-21.8) = 18.2 years.

(3) Line items under "ANNUAL OPERATING COSTS (Estimated)."

(a) Item 11- Depreciation - Compute the amount of depreciation by dividing the entries in item 9 by entries in item 10 and enter the results in item 11.

(b) Item 12- Plant Increment - This is the yearly increment estimate for replacement of the plant, calculated in Table B-1 as follows:

<table>
<thead>
<tr>
<th>Year Built</th>
<th>1969</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Cost</td>
<td>$1,350,000</td>
</tr>
<tr>
<td>Plant Increment Factor</td>
<td>3.4</td>
</tr>
<tr>
<td>Estimated Replacement Cost</td>
<td>$4,590,000</td>
</tr>
<tr>
<td>Amount Recovered by Increment</td>
<td>$3,240,000</td>
</tr>
<tr>
<td>Estimated Useful Life in Years</td>
<td>40</td>
</tr>
<tr>
<td>Plant Increment</td>
<td>$3,240,000/40 = $80,000</td>
</tr>
</tbody>
</table>

(c) Item 13- District Overhead - This is an operating cost of the plant, which includes telephone, ADP equipment, and office administrative costs related only to the plant.

(d) Item 14- Repairs and Replacements - Enter the estimated costs of repairs for the appropriate period. This estimate will consider normal repairs or replacements and usually will be based on average costs to date and cost records of similar items of plant. Consideration will also be given to abnormal or severe operating conditions to be encountered and estimated future cost indices. Approval of CECW-0 will be required when this item exceeds the limits of delegated authority for repairs for each category listed Appendix J.

(e) Item 15- Cessation of Work - Represent a fair and equitable charge per day for periods of idleness for care and maintenance. Idleness may be caused by weather or no available work.
(f) Item 16- Small Tools, etc. - Enter the estimated cost of additional acquisition or replacement of small tools, rigging, or equipment for the galley and quarters. Expenditures for initial supplies of these items should have been charged to the proper account for operational equipment (assets).

(g) Item 17- Operations - Estimate the cost for the appropriate period for all remaining costs not covered by items 11 thru 16. This item includes such costs as labor, subsistence, fuel, lubricants, miscellaneous expenses, protection insurance, and attendant plant.

(h) Item 18- Provision for Overhaul Repairs Adjustment - Provide an adequate amount to absorb the cost of overhaul, replacement, and repairs which will be required to maintain the plant in operable condition to retirement and to plan for a credit balance in the account when overhaul, replacement, or repairs are required.

(i) Item 19- Total Cost - Tabulate the sum for items 11 thru 18 for this entry.

(j) Item 20- Estimated Days in Use - Estimate the number of days in the fiscal year for which a charge will be made for use of the plant. Annual allocations of funds, expenditure limitations, and other budgetary information should be considered when establishing this estimate.

(k) Item 21- Daily Rate - Divide item 19 by item 20 for this rate. The basic daily rate shall be adjusted when required to provide for additional shifts, hazardous work, or other unusual conditions. When it is anticipated that the balance will be used for a variable schedule, such as an alternating 5 and 6-day workweek, a daily rate will be established for each schedule and reported in the Explanatory or Historical Data space. In such cases, entries for items 14 thru 17 shall include a consideration for the additional costs that will be incurred. This daily rate will not be effective until 1 October of the subsequent fiscal year. When a new daily rate is required during a fiscal year, a request for a revision of the rate will be submitted for approval to major subordinate commands. For this item, daily rate, computations shall be shown when more than one shift rate was used for the report for the current fiscal year.
(column 3) or the next fiscal year (column 4) as shown in Table B-2 below:

<table>
<thead>
<tr>
<th>Work Schedule</th>
<th>Days in Use</th>
<th>Rate Estimated Income</th>
</tr>
</thead>
<tbody>
<tr>
<td>5 - day week</td>
<td>166</td>
<td>$5,000.00</td>
</tr>
<tr>
<td>7 - day week</td>
<td>14</td>
<td>$7,000.00</td>
</tr>
<tr>
<td>Other (hazardous or unusual conditions)</td>
<td>10</td>
<td>$7,276.3</td>
</tr>
</tbody>
</table>

Total Income for Period (Line 20 x 21) $1,000,763

(1) Item 22 - Approved by - Indicate the symbol of the approving office, date of approval, and name of approving official. The major subordinate command commanders will approve ENG Form 22 for all district owned plant. HQUSACE (CECW-O) will approve ENG Form 22 for major plant owned by major subordinate commands and separate installations. Review and approval of ENG Form 22 will be scheduled so that a legible copy will be furnished to CECW-O not later than 15 November. This date has been specified so that the daily rate for the fiscal year (item 21, column 4) will be computed and approved in sufficient time to use for planning and future scheduling of major equipment.

(4) Line items under "ANNUAL OPERATING COSTS (Actual)."

(a) Item 23- Year - Copy the same year in each column as entered for item 1.

(b) Item 24- Depreciation - Transcribe the amount of depreciation actually charged to the plant-operation account for the particular period. This amount should be similar to item 11. If, due to some unusual situation, these amounts differ for the current fiscal year (column 3), explain the reason for any variation in the Explanatory or Historical Data space.

(c) Item 25- Plant Increment - Enter actual plant increment charged to plant operating account.

(d) Item 26- District Overhead - This is an operating cost of the plant, which includes telephone, ADP equipment, and office administrative costs related only to the plant.
(e) Item 27 - Repairs and Replacements - Report the amount of repairs and replacements actually charged for the particular period. If this amount exceeds the estimate for the current fiscal year indicated in item 14 by more than 30 percent, provide an explanation for the increase.

(f) Item 28 - Cessation of work - post the total amount of cessation of work actually charged for the particular period. If this amount exceeds the estimate for the current fiscal year in item 15 by more than 100 percent, provide an explanation for the increase.

(g) Item 29 - Small Tools, etc. - provide the actual amount expended for acquisition of small tools.

(h) Item 30 - Operations - Enter the total amount of all actual charges to the plant-operation account less those shown in items 24 thru 29 for the particular year. If this amount exceeds the estimate for the current fiscal year indicated in item 17 by more than 30 percent, provide an explanation for the increase.

(i) Item 31 - Total Costs - Tabulate the amounts for items 24 thru 30 for this entry. For the future fiscal year, (column 4) enter the sum of items 11 thru 17.

(j) Item 32 - Earnings - Furnish the total amount of actual funds recovered from projects or other appropriations. This amount should be approximately equal to the sum of the products of the Daily Rate (item 21) times the Days in Use (item 36) for each rate. For the future fiscal year (column 4) enter the product of item 20 times item 21.

(k) Item 33 - Net Balance - Enter the difference between item 31, Total Cost, and item 32, Earnings. If line 31 exceeds line 32, enclose the amount in parentheses with a minus sign indicating a negative amount (loss). If item 33 is a positive balance in excess of $100,000 or 30 percent of the estimated replacement cost, whichever is less, indicate in the Explanatory or Historical Data space the anticipated future need for this amount. Any negative (debit) amounts shown in item 33 shall be recovered in the following three-year period, or less, by
entering an appropriate positive amount in item 18, unless a waiver is obtained from CECW-O.

(1) Item 34- **Prior Year Balance** - Record the cumulative balance to date of the plant operation account for the end of the preceding period which is the same amount shown in item 35 of the preceding year. Debit balance (loss) will be enclosed in parentheses with a minus sign, for example, \((-54,384)\). For future fiscal year, (column 4) enter the amount of item 35 for the current fiscal year (column 3).

(m) Item 35- **Balance To Date** - Determine the algebraic sum of items 33 and 34 for this entry. Debit balance (loss) will be enclosed in parentheses with a minus sign, for example, \((-34,384)\).

(n) Item 36- **Days in Use** - Indicate the actual number of days to one decimal place for which charges were made for use of the plant. If the plant worked a variable schedule, such as an alternating 5 and 7-day workweek, actual days worked under each schedule should be indicated under the Explanatory space. Charges shall be made for: (a) preparing the plant for departure; (b) in transit to work; (c) at work; and (d) in transit home. During normal working seasons, the plant will be charged for each day or fraction of a day on which the plant is employed including Sundays and holidays except for operating delays because of repairs. During the non-working seasons, no charges will be made for idle time due to adverse weather or water conditions. Cost of maintaining plant idle due to work having been performed by contract will be charged to the operating account (item 30). If the amount for maintaining an idle plant becomes prohibitive, appropriate recommendation will be submitted to CECW-O.

(o) Item - **Explanatory or Historical Data** - In addition to the explanations indicated above, this space should include any other information which will assist in determining the reasonableness of the entries. The reverse side of the form should be used for continuation of explanations. Unusual changes should be explained for any condition, but especially as noted for the following items:

- **Item 6-Depreciation Credited**
-Item 24-Depreciation
-Item 27-Repairs and Replacements
-Item 28-Cessation of Work
-Item 30-Operations
-Item 33-Net Balance
-Item 36-Days in use

(p) Item - District - Identify the district command.

(q) Item - Name of Plant - Enter name exactly as it appears on the plant.

(r) Item - Type of Plant - Describe the category of plant as classified in EP 1125-2-1 for type of floating plant.

b. Guidelines for preparing Engineer Form 2438.
### PLANT RECORD CARD - GROUP ITEMS

**Date Prepared:** 1 October 89  
**Owning Appropriation or Project:** 96X4902 Revolving Fund

<table>
<thead>
<tr>
<th>Item Description</th>
<th>1989</th>
<th>1990</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Fiscal Year / No. Items</td>
<td>1989 / 3</td>
<td>1990 / 3</td>
</tr>
<tr>
<td>2. Repairs</td>
<td>275.54</td>
<td>2,000.00</td>
</tr>
<tr>
<td>3. Depreciation</td>
<td>21,634.62</td>
<td>24,347.88</td>
</tr>
<tr>
<td>4. Operations (Labor, F&amp;L, Misc.)</td>
<td>8,325.20</td>
<td>8,600.00</td>
</tr>
<tr>
<td>5. Cessation</td>
<td>144.84</td>
<td>145.00</td>
</tr>
<tr>
<td>6. Plant Replacement Increment</td>
<td>1,922.34</td>
<td>2,880.00</td>
</tr>
<tr>
<td>7. Provision - Overhaul Repairs Adjustment</td>
<td>0.00</td>
<td>0.00</td>
</tr>
<tr>
<td>8. Total Cost</td>
<td>32,302.54</td>
<td>33,966.88</td>
</tr>
<tr>
<td>9. Usage Days</td>
<td>311</td>
<td>300</td>
</tr>
<tr>
<td>10. Day or Shift Rate</td>
<td>100.00 D</td>
<td>113.00 D</td>
</tr>
</tbody>
</table>

### PLANT RECORD CARD - GROUP ITEMS (Continued)

<table>
<thead>
<tr>
<th>Plant Name or Number</th>
<th>Acquisition Date</th>
<th>Estimated Life Years</th>
<th>Original Cost</th>
<th>Total Cost Includes A&amp;B</th>
<th>Remaining Book Value</th>
<th>Estimated Current Repairs</th>
</tr>
</thead>
<tbody>
<tr>
<td>LD 730 (VW7459AA)</td>
<td>10/85</td>
<td>30</td>
<td>252,326.86</td>
<td>252,326.86</td>
<td>222,040.81</td>
<td>666.00</td>
</tr>
<tr>
<td>LD 731 (VW7459AB)</td>
<td>10/85</td>
<td>30</td>
<td>252,576.87</td>
<td>252,576.87</td>
<td>222,267.75</td>
<td>667.00</td>
</tr>
<tr>
<td>LD 733 (VW 7459AC)</td>
<td>12/87</td>
<td>30</td>
<td>216,165.16</td>
<td>216,165.16</td>
<td>204,905.98</td>
<td>667.00</td>
</tr>
<tr>
<td><strong>TOTALS</strong></td>
<td></td>
<td></td>
<td>721,067.89</td>
<td>721,161.50</td>
<td>649,214.54</td>
<td>2,000.00</td>
</tr>
</tbody>
</table>

**APPROVED BY:**

**Office:** CEORD-CO-OM  
**Date:** 3/7/90  
**Initials:** JJS  
**PLANT ACCOUNT BALANCE**  
**PREVIOUS FISCAL YEAR**  
$4,152.69 Credit  

**District:** Louisville  
**Group and Code Designation:** 59  
**Type of Plant (Category):** Barge, Flush Deck  

Reverse of ENG Form 2438  
**Figure B-2**  
**(Proponent: CECW-O)**
ENG Form 2438 provides the plant name or number, acquisition date, estimated life years, original cost, total cost including additions and betterments, remaining book value and estimated current repairs for individual items as well as for the group as a whole. When more than one card is required to report all the items in a group, each card will be identified numerically with the total number of cards in the group (e.g., 1 of 3, 2 of 3, and 3 of 3). After entering the "Date Prepared" and the "Owning Appropriation or Project", record other items as follows:

(1) Line items under "PLANT RECORD CARD- GROUPED ITEMS" (front side)

(a) Item 1- Fiscal Year/No. Items - Enter the fiscal year for the column heading "Prior Year Actual Cost" and "Current Year Estimated Cost." In addition, indicate the total number of plant items included in the group under the "Prior Year" and "Current Year" headings.

(b) Item 2- Repairs - Record the actual cost of all repairs for the prior fiscal year and a reasonable estimate for the current year.

(c) Item 3- Depreciation - Record the depreciation expense charged in the prior fiscal year. Determine the estimate for the current year by dividing the remaining book value of all items in the group by the cumulative remaining estimated life years.

(d) Item 4- Operations - Enter the cost for labor, fuel, lubricants, insurance, and any other expenses not included in items 2 thru 7.

(e) Item 5- Cessation - Prepare a fair and reasonable charge per day for periods of idleness for care, maintenance, weather, or no available work. Enter actual cost for prior year.

(f) Item 6- Plant Replacement Increment - Actual plant increment charged to operating accounts in prior year. Compute an estimate for current year incremental cost by using the factors provided annually in Engineering Circular EC 37-2-* for
manufactured goods. For Example is at Table B-3 below:

<table>
<thead>
<tr>
<th>Plant No.</th>
<th>Acquisition Date</th>
<th>Estimated Life Years</th>
<th>Total Cost Including A&amp;B</th>
</tr>
</thead>
<tbody>
<tr>
<td>137</td>
<td>Oct 66</td>
<td>30</td>
<td>$5,000</td>
</tr>
<tr>
<td>138</td>
<td>Oct 76</td>
<td>30</td>
<td>$7,000</td>
</tr>
<tr>
<td>139</td>
<td>Oct 86</td>
<td>30</td>
<td>$9,000</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>$21,000</td>
</tr>
</tbody>
</table>

**Average Acquisition**

<table>
<thead>
<tr>
<th>Total Cost</th>
<th>PRIP Increment Factor</th>
<th>Estimated Replacement Cost</th>
<th>Amount Recovered by Increment</th>
<th>Estimated Life Years</th>
<th>Plant Increment / Plant</th>
</tr>
</thead>
<tbody>
<tr>
<td>$21,000</td>
<td>2.81</td>
<td>$59,010</td>
<td>$59,010 - 21,000 = $38,010</td>
<td>90</td>
<td>$38,010 / 90 = $422</td>
</tr>
</tbody>
</table>

Total Increment (137-139) (3 x $422) = $1,266

(g) Item 7- Provision- Overhaul Repairs Adjustment - Enter an adequate amount to absorb the cost of any overhaul, replacement parts, or repairs required to keep the items operable and to provide a zero balance when overhaul, replacement or repairs are required.

(h) Item 8- Total Cost - Add items 2 thru 7.

(i) Item 9- Usage Days - Indicate the total days of use for all items in this group. Usage miles may be used for some groups.

(j) Item 10- Day, Shift Or Mileage Rate - Divide the total cost (item 8) by number of usage days (item 9) to obtain rate. If "shift" operation is the basis, insert "S" after the rate. If plant is used on a "daily" basis, insert "D" after the rate. Use rental rate per mile for group motor vehicles.

(2) Line items under "PLANT RECORD CARD-GROUPED ITEMS" (Continued - back side)

(a) Item - Plant Name or Number - Record the name or number of the plant items exactly as it appears on the plant.

(b) Item - Acquisition Date - Enter month nearest to the
date the item of plant or surplus item of plant was placed in service.

(c) Item - Estimated Life Years - Show the total estimated economic life of the plant from the date each item was first built or acquired. In establishing this factor, consideration will be given to expected operating conditions, character of work, statistical experience available on similar plant, and any other factors that will affect the life of the plant.

(d) Item - Original Cost - List the actual acquisition cost for all plant items procured under the Revolving Fund. When a plant item is acquired by transfer from another government agency, however, the amount the transferor (prior owner) paid for the item will be noted as "unfunded." If the original cost is unknown, a reasonable estimate should be prepared. If a modification or rehabilitation of the transferred plant is required to make it suitable for its intended use by the Corps, this amount is deducted from the original cost and this same amount is added to additions and betterments.

(e) Item - Total Cost Including A&B - Add the sum of the original cost and the cost of additions and betterments to date for this entry.

(f) Item - Remaining Book Value - Determine the difference between the total cost including additions and betterments, and the total depreciation (item 3).

(g) Item - Estimated Current Repairs - Enter the estimated total cost of repairs, replacements, and small tools for each item for the future fiscal year. This estimate will consider normal repairs, replacements, small tools, or major overhauls and will be based on average costs to date and experience cost data on similar items of plant. Consideration will also be given to expected operating conditions to be encountered and estimated future cost indices.

(h) Item - Totals - Enter the sums for each of the four columns with cost data.
(i) Item - Approved By - Indicate the name of the approving district command, major subordinate command, or other USACE command, date, and initials of approving operating official. Note: Major Subordinate Command Engineers have repair authority as delegated by Headquarters USACE in Appendix J. District Command Engineers may have repair authority, as delegated by the Major Subordinate Command Engineer.

(j) Item - Plant Account Balance Previous Fiscal Year - Enter data indicating the credit (CR) or debit (DB) from the, prior fiscal year (DB 4,493).

(k) Item - District - Indicate name of the owning district command, major subordinate command, or other USACE command.

(l) Item - Group and Code Designation - Indicate group number or code designation as applicable.

(m) Item - Type of Plant - Describe principal function or nomenclature of the plant in the group such as: Barge-Deck Cargo, Boat-Patrol, Launch-Survey, Tractor-Crawler, or Truck-Pickup - 3/4 ton. See EP 1125-2-1 for category definitions of floating plant and ER 56-2-1 (Administrative Vehicle Management - Civil Works) for category definitions of vehicles.

(3) Whenever an item of plant is transferred from one group account to another, indicate the transfer on the new card with a designation in parentheses immediately below the plant name or number.

B-7. Disposal Actions. Before disposal plans are implemented for an item of plant, the following information shall be submitted to CECW-0 for review.

a. Major Plant (Non-Group)

(1) Plant name or number.

(2) Actual date plant will be retired or delivered to new owner or actual date plant will be destroyed.

(3) Method of disposal: If by sale, list the name and address of buyer; if by transfer, list name and address of agency.
(4) Amount that will be received for the plant.

(5) Plant account balance for the current and previous fiscal years.

b. Minor Plant Group. The same categories of information listed in paragraph B-7a above for major plant shall be recorded for minor plant items. In addition, a revised ENG Form 2438 for the group account shall also be prepared.
APPENDIX C

TRANSFER AND PLACEMENT IN SERVICE OF ASSETS ACQUIRED
BY OTHER THAN THE ASSET-OWNING COMMAND

C-1. Purpose. To provide guidance on how to transfer and place in service assets that are acquired by one USACE command for another USACE command.

C-2. Costs. Costs associated with acquisition of plant will be accumulated in the acquiring command’s financial records as construction in progress (CIP). Once the item is ready for delivery, the acquiring command will transfer all cost accumulated as CIP immediately to the asset-owning command via Transfer Out, Without Reimbursement instructions in the financial regulations together with supporting documentation to include contract documents. The asset-owning command will transfer in the CIP into their financial record IAW financial regulation guidance for Transfers-In-Without Reimbursement. Once the transfer CIP is completed, immediate action will be taken to place the asset in service. The value of the transfer will reflect all acquisition costs. If costs are incurred subsequent to the Transfer Out/Transfer In, the same procedures will be followed to transfer the additional cost to the asset-owning command. All transfers will be recorded within the same month.

C-3. Transfers Related to Marine Design Center (MDC) Acquisitions. Acquisition costs will be recorded in the Philadelphia District finance and accounting system for items acquired through MDC. When the item is transferred from MDC to the asset owning district, the Philadelphia District will transfer out all cost accumulated and identified as construction in progress (CIP) in its accounting system, to the asset-owning district IAW financial regulations.

C-4. CIP Transfer Out Instructions for CEFMS. Corps activities will transfer out PRIP CIP for items acquired for another Corps activity as provided in the instructions below (see figure C-1).
a. Select option 21 (CIP Transfers) from the Revolving Fund Fixed Assets menu (see below).

![Figure C-1-CEFMS Revolving Fund Menus](image-url)
b. Select option 1 from the CIP Transfer menu (see below).

Figure C-1a (Continued)
c. Input required data on CIP Transfer Out screen. Completed screen should look something like screen shown below:

![Screenshot of Revolving Fund Transfer CIP Out W/O Reimb Screen]

Figure C-1a (Continued)
d. Generate a CIP Transfer Out report from report option screen shown below and provide copy to asset owning District to advise them of the CIP transferred to them.

![Report Selection Menu](image_url)

Figure C-1a (Continued)
C-5. CIP Transfer In Instructions for CEFMS. Corps activities will transfer in PRIP CIP for items acquired by another for their activity as provided in the instructions below.

a. Create asset work item on screen 2.100. See below.

![Figure C-1a (Continued)](image-url)
b. Enter asset work item (or select from F4 list) on screen 2.29.R1 (path: 1, 3, 6, 2, 21, 2). Enter data in bottom block of form to represent CIP costs transferred in.

Figure C-1a (Continued)
c. Place asset or addition and betterment in service on appropriate revolving fund place in service screen (Group/Non-Group - 2.11, Sets - 2.16, Additions and Betterments - 2.11.3 or Real Property - 2.17). See example below.

Figure C-1a (Continued)
APPENDIX D

DEPRECIATION, PLANT INCREMENT AND INSURANCE INCOME

D-1. Depreciation.

a. Purpose. Depreciation is the allocation of acquisition cost of an asset over the estimated useful life. This allocation is also the income by which all investment cost is recouped in the Revolving Fund. The straight-line depreciation method of allocating cost is used by the Corps of Engineers.

b. Applicability. Depreciation is charged on all Revolving Fund with remaining book value owned assets except those in process of acquisition or disposal, or in mothball status. Depreciation begins when an item is placed in service. Guidelines for the discontinuance of depreciation on assets in disposal or mothball status can be found in the financial regulations.

c. Income. Depreciation income from Revolving Fund owned assets is recouped quarterly in the current fiscal year by the USACE Finance Center for Headquarters.


a. Purpose. Plant increment is a surcharge for increased cost of replacement over the original cost of an asset. It is charged on all Revolving Fund owned structures and equipment to maintain purchasing capability. Plant increment is also income and is recouped in the Revolving Fund.

b. Applicability. An asset authorized under the PRIP is subject to plant increment while it is in service and there is no approved waiver. Exceptions to this requirement are assets in mothball status or in process of acquisition or disposal; leasehold improvements; capital leases; land; or fully depreciated capital assets for which there is documented evidence that they will not be replaced under PRIP authority.
c. Income. Plant increment income from Revolving Fund owned assets is recouped quarterly in the current fiscal year by the Corps Finance Center for Headquarters.


a. The cost indices used for calculating rates for aircraft, vessels (ships) and manufactured goods (finished goods) are posted on the Bureau of Labor Statistics website, www.bls.gov.

(1) For Aircraft, the Producer Price Index for Transportation Equipment, Aircraft, Not Seasonally Adjusted is used.

(2) For Vessels, the Producer Price Index for Transportation Equipment, Ships, Not Seasonally Adjusted is used.

(3) For Manufactured Goods, the Producer Price Index for Group SOP Stage of Processing, Finished Goods, Not Seasonally Adjusted is used.

b. The cost index used for calculating rates for structures is posted on the Engineering News Record website www.enr.com as Building Cost Index History.

D-4. Insurance.

a. Purpose of Insurance. Insurance is a surcharge assessed to provide a reserve to be available for absorption of losses and damages to Revolving Fund owned assets and warehouse stock. This reserve enables the Corps to insure against losses and damages without assessing the full cost of such losses to the current benefiting projects/activities at the time of the loss. The charges for insurance premiums will be included in the operating expenses of the activity in which the insured asset is used. For example, insurance premiums covering warehouse stock,
warehousing structures, and warehouse equipment will be charged to Warehouse Operating Expense; premiums for shops and yards structures will be charged to the shops and yards operating accounts; and premiums for a dredge will be charged to the applicable plant operating account.

b. Applicability. All Revolving Fund owned plant in service and warehouse stocks with book values are subject to insurance charges. No insurance will be charged on land or plant being acquired under a capital lease. When Revolving Fund owned structures are utilized by other Government agencies free of charge, insurance applicable to such structures or portion of structures utilized will continue to be accrued.

c. Use of the Insurance Account for Revolving Fund Owned Assets. The insurance account will be used to absorb losses of book value at the time of the loss or repair. Book value is the undepreciated amount of the acquisition cost. Reports of survey will be used to determine repair versus replacement of the asset. Financial accounting records and the Report of Survey will be used to support payments from the insurance account. If the asset requires replacement and it meets PRIP criteria, submit in the normal budgetary cycle or as a current year out-of-cycle request.
APPENDIX E

PREPARATION OF ENG 4613-R, MAJOR ITEM NEW START (MINS), GROUP MAJOR ITEMS AND UPDATE OF CONTINUING MAJOR ITEMS.

E-1. **Purpose.** To provide guidance on how to prepare Engineer Form 4613-R for Major Item New Starts, Group Major Items and Update of Continuing Major Items.
Major Item New Start (MINS) and Updated of Continuing Major Items
Civil Works Revolving Fund Plant Replacement and Improvement Program
(In Thousands of Dollars)

<table>
<thead>
<tr>
<th>TO: Fiscal Year MINS Approved</th>
<th>Date Prepared</th>
<th>RCS: CERM-BA-21</th>
</tr>
</thead>
<tbody>
<tr>
<td>FROM: Authorization: MDC No.</td>
<td>PRIP Project No.</td>
<td></td>
</tr>
</tbody>
</table>

PROJECT TITLE: LOCATION: TYPE OF SUBMITTAL: Initial Update Final

1. PROJECT/ITEMS
   a. TYPE: New Replacement A&B
   b. SIZE, CAP OR AMOUNT
   c. Mission Administrative
   d. PRIP Payback Period – No. of Years
   e. Date Asset will be Placed In Service
   f. Total Cost

2. DESIGN DATA
   a. START DATE:
   b. FINISH DATE:
   c. DESIGN TIME:
   d. CONSTR Bid Date:
   e. CONSTR Award Date:
   f. % COMPLETE:
   g. DESIGN COST:

3. CONSTRUCTION DATA
   a. START DATE:
   b. FINISH DATE:
   c. CONSTR TIME:
   d. EST. COST:
   e. CONST %:
   f. S, I, & OH:
   g. CONSTR COST:

4. OBLIGATION PLAN
   Category Code | Category Total | Prior Years | FY | FY | FY | FY | FY |
   a.            |              |            |    |    |    |    |    |
   b.            |              |            |    |    |    |    |    |
   c.            |              |            |    |    |    |    |    |
   d.            |              |            |    |    |    |    |    |
   e. Project Total |             |            |    |    |    |    |    |

5. Justification Statement and Description of Work

Eng Fm 4613-R, Nov 2002

Figure E-1

Page 1 of 2 (Proponent: CERM-BA)
5. Continuation of Justification Statement and Description of Work:
E-2. **Instructions.**

a. **General Data.**

(1) To. Identify the MSC/FOA activity that will submit the requirement for review and approval for submission to Headquarters.

(2) From. Identify the Corps activity submitting the requirement.

(3) Fiscal Year MINS Request Approved. Indicate the fiscal year in which the item was approved by HQUSACE and subsequently approved by Congress. This will not change once the item has been approved.

(4) Date Prepared. Date the form is initially prepared or updated.

(5) RCS. Report Control Symbol assigned by HQUSACE.

(6) Authorization. Property identification of item being replaced or rehabilitated.

(7) MDC No. Project Number assigned by Marine Design Center, if applicable.

(8) PRIP Project No. Project number assigned by Headquarters upon project authorization.

(9) Project Title. Self-explanatory.

(10) Location. Physical location of the item requested for replacement or rehabilitation. If this is a new asset, the location is where the asset will reside upon acquisition.

b. **Project/Item Data.**

(1) Block 1a. Type. Construction of a new requirement, addition and betterment to an existing asset, or replacement of an existing asset.
(2) Block 1b. Size, Capacity, Amount. Indicates size, capacity, or amount of item.

(3) Block 1c. Mission or Administrative. Mission related asset or administrative in nature.

(4) Block 1d. PRIP Payback Period. Indicates useful life years.

(5) Block 1e. Date Asset will be placed in service. For initial submission and updates, indicates the estimated month and year item will be placed in service. Work slippage requires update to the form. For final submission, indicates specific date item is placed in service.

(6) Block 1f. Total Cost. Total cost equals total design cost plus total construction cost.

c. Design Data.

(1) Block 2a. Start Date. Planned/actual start date for design work.

(2) Block 2b. Finish Date. Planned/actual finish date for design work.

(3) Block 2c. Design Time. Total design time.

(4) Block 2d. Construction Bid Date. Planned due date for contractor bids as stated on solicitation.

(5) Block 2e. Construction Award Date. Planned date of construction contract award.

(6) Block 2f. Percent Complete. Percentage of design completed.

(7) Block 2g. Design Cost. Total cost of design.

d. Construction Data.

(1) Block 2a. Start Date. Planned/actual construction start date.

E-6
(2) Block 2b. Finish Date. Planned/actual construction finish date.

(3) Block 2c. Construction Time. Total construction time.

(4) Block 2d. Estimated Costs.

(5) Block 2e. Cont Percentage. Percentage of funds included for contingency.

(6) Block 2f. S, I & OH. Cost of project supervision, inspection, and overhead.

(7) Block 2g. Construction Cost. Total construction cost.

e. Obligation Plan. Displays estimated funding requirements by Category Code by fiscal year from design through construction in blocks 4a through 4e.

(1) Category Code. Identify all applicable Category Codes of the asset being acquired. See Appendix G-1 for list of property asset/category codes.

(2) Category Total. Total cost of asset by Category Codes.

(3) Prior Years. Amount obligated in prior fiscal years in total.

(4) Fiscal Year, (FY). Represents the current fiscal year (CFY), budget year (BY), three out years, and future years requirements. Future years requirement is in total. Insert dates for all fiscal years represented, except Future Years.

f. Justification Statement and Description of Work. The narrative justification statement must be clear and concise, yet detailed enough to convey the district’s need and address how the item is related to district mission. In addition, an adverse impact statement is to be included addressing the impact of not receiving approval. The description of work, as a minimum, will include a brief description and location of the
E-3. **Grouped Major Items.**

a. HQUSACE will consider establishing a Grouped Major Item when there is a Corps-wide requirement for the same or similar items or systems. The items or systems that make up a Grouped Major Item may or may not be Major Items when considered individually. In addition, a Grouped Major Item may be established when the Congressional Committees voice interest in receiving information on the acquisition of a type of plant regardless of the costs of the items.

b. Technical approval by the responsible proponent at HQUSACE is required for Grouped Major Items before a Budget Year submittal to OMB and the funding authority request will be considered by CECW-0.

c. The responsible proponent with authority for technical approval at HQUSACE will prepare submittals to CECW-0 for Budget Year Grouped Major Items. This information is required for review and approval by OMB and Congressional Committees and will include as a minimum:

   1. A copy of the technical approval and/or a specific reference to the portions of a master plan applicable to the submittal.
   2. Justification with cost effectiveness.
   3. Alternatives with a complete economic analysis.
   4. Copy of feasibility study.
   5. Realistic cost estimate and expenditure schedules.
   6. Copy of division commander’s approved subsystem, networks, or equipment drawings.

d. Divisions will not be required to submit the normal Major Item documentation when requesting an item of plant within a Grouped Major Item. Allocations for Grouped Major Items will
be in accordance with the prioritized division list as set forth by the division commander.

e. District and Division technical elements will coordinate submittals, funding requests, priority rankings, and allocation requirements with the respective district or division commander. This is to assure appropriate coordination with the local PRIP Manager/Coordinator and to apprise the commanders of the long-term commitment associated with the acquisition of capital assets.
F-1. Purpose. To provide guidance on how to prepare Engineer Form 4943-R to request obligation authority and funding for the acquisition of capital assets through the Revolving Fund, Plant Replacement and Improvement Program (PRIP).
### PRIP Plant Item Justification Sheet

**Funding Request for FY 2029**

**ER 37-1-29**

**RCS:** CERM-BA-22

**Date Prepared:**

**District:**

**Office Symbol:**

**Office Priority:**

**Division Priority:**

**Authorization:**

**Project Name:**

**Division Priority:**

**Approved by (Signature):**

**Investment Type:**

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<th>Mission</th>
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<tr>
<td>Estimated Life:</td>
<td></td>
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<td>ITips No.:</td>
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**Category Codes (Select One):**

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<td>Buildings</td>
</tr>
<tr>
<td>10</td>
<td>Structures</td>
</tr>
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<td>30</td>
<td>Dredges</td>
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<tr>
<td>40</td>
<td>Other Floating Plant</td>
</tr>
<tr>
<td>5V</td>
<td>(Suspended)</td>
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<tr>
<td>5X</td>
<td>Other Mobile Land Plant</td>
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<td>6C</td>
<td>Communication Equipment</td>
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<td>6X</td>
<td>Other Fixed Land</td>
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<td>70</td>
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<td>80</td>
<td>Software</td>
</tr>
<tr>
<td>9A</td>
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<td>9D</td>
<td>Computer Aided Design &amp; Drafting</td>
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<td>9W</td>
<td>Water Control Data System</td>
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<td>LH</td>
<td>Leasehold Improvement</td>
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**Cause:** (Select One)

- A. Legal, Safety and/or Environmental
- B. Replacement
- C. Addition-Betterment-Productivity
- D. New Mission
- E. Base Operation-General/Administrative
- F. Other (Specify)
- G. Other
- H. Other

**Cost Estimates ($K):**

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<td>Future Years</td>
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**Function:** (Use & application; related assets)

**Justification:** (Regulatory requirements; alternatives considered; workload volume; benefits of proposal; condition/shortcomings of current asset)

---

Eng Fm 4943-R, Nov 2002

Figure F-1

Page 1 of 2

Proponent: CERM-BA
**ECONOMIC ANALYSIS**

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<thead>
<tr>
<th>B/C Ratio:</th>
<th>Incremental Cost:</th>
<th>Impact:</th>
<th>Payback Period:</th>
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<table>
<thead>
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<th>SIR Ratio:</th>
<th>NPV:</th>
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**PRIP PAYBACK**

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<th>Second year: FY</th>
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**OBLIGATION SCHEDULE**

**Current Fiscal Year**

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<th>Nov</th>
<th>Dec</th>
<th>Jan</th>
<th>Feb</th>
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<th>May</th>
<th>Jun</th>
<th>Jul</th>
<th>Aug</th>
<th>Sept</th>
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**PROJECTS/APPROPRIATIONS**

Supported By Investment

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<td>9</td>
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</tr>
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</table>

% Total
F-2. Instructions.


b. District. District name.

c. Office Symbol. Office symbol of requesting organization.

d. Office Priority. Priority number assigned by the requesting organization if the office is requesting more than one item through PRIP.

e. District Priority. Priority assigned within the requesting district.

f. Division. Division Name (Major Subordinate Command/Field Operating Activity).

g. Division Priority. Division priority number (to be completed by Division PRIP Manager).

h. Authorization. Examples are property ID code being replaced, public law authorizing construction or acquisition for new or replacement items, and additions and betterments.

i. Project Name. Self-explanatory.

j. Approved By (Signature). Signature of division office chief.

F-3. Project Data.

a. Type. Mission assets are those assets justified and used principally for core mission. Administrative assets are those assets justified and used principally for managerial purposes.

b. FY of MINS Approval. Funding requests for Continuing Major Items (CMI) will indicate the fiscal year in which the item was approved. Once approved, this data element will not change.
c. MDC No. Indicates Marine Design Center project number, if applicable.

d. PRIP Project No. If multi year funded asset, project number assigned in previous fiscal year. If new item, the PRIP Project number will be assigned by HQUSACE, if approved.

e. Estimated Life. Useful life based on minimum and maximum limitations in ER 37-2-10.

f. ITIPS Number. Number assigned to an information technology initiative in the Information Technology Investment Portfolio System (ITIPS)

g. Category Code. Select item category based on property asset codes listed in Appendix G. Subcategory codes must be used for Category codes 50, 60, and 90. Any item submitted using the summary level Category Code would not be forwarded for consideration.

h. Cause. Indicates the reason the item is being requested.

i. Cost estimate. Project total must equal the sum of Prior Years plus Budget years and Future Year funds requested.

j. Function. Briefly describe the use and application of the requested item and related assets used in its application. Include the ITIPS number in this field, if applicable. Any IT item submitted without the ITIPS number will not be included in the consolidated, prioritized division request to HQUSACE.

k. Justification. The narrative justification must be fully supportive of the district’s need and mission. Justifications must be clear, concise, and include appropriate economic analysis, and adverse impact statements.

l. MINS Dates. Complete this section if requesting funds for a new MINS item or continuing major item.
(1) Design Effort 35% Complete. Indicate date design effort completed.

(2) ENG 4613-R submitted. Indicate date of original or updated form, if applicable, submitted.

(3) Narrative justification submitted. Indicate date submitted.

m. Economic Analysis. Required for all MINS and minor items in excess of $525,000.

(1) B/C Ratio. Provide benefit to cost ratio.

(2) SIR Ratio. Supervision and Inspection ratio (applies to Major items only).

(3) Payback Period. Provide the estimated useful life.

(4) NPV. Give net present value of item.

(5) Incremental Costs. Additional costs to be incurred if the item is not approved.

(6) Impact. Describe how work performance in dollars and work years could be impacted with or without the asset.

n. PRIP Payback. Provide estimates of PRIP payback for first, second, and future fiscal years.

o. Obligation Schedule. Estimate month(s) you plan to obligate funds to acquire item if approved. Update in year of execution.

p. Projects/Appropriations. Provide projects and/or appropriations the item requested will support.

(1) Project/Appropriation Name. Self-explanatory.

(2) Percentage (%) Supported. Provide the percentage that the item will support each project and/or appropriation.
(3) Percentage (%) Total. The sum total of all the projects and/or appropriations supported percentages. The total will equal 100%.
# APPENDIX G

ACQUISITION GUIDANCE, PROPERTY ASSET CODES

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### APPENDIX G

**ACQUISITION GUIDANCE, PROPERTY ASSET CODES**

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## APPENDIX G

ACQUISITION GUIDANCE, PROPERTY ASSET CODES

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G-1.1. Property Asset Codes. This appendix provides a listing of property asset codes some of which are funded under the Revolving Fund, Plant Replacement and Improvement Program (PRIP).

G-1.2. Property Asset Codes Included.

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ER 37-1-29
30 Nov 02

OA Other Assets G-15
G-2.1. Land. Acquisition cost of land owned by the Revolving Fund will reflect the purchase price, acquisition expenses, such as, mapping, surveying, appraising, negotiating, etc., and the cost of relocations necessary for the unhampered use of the land.

G-2.2. Land Rights. Reserved.

G-2.3. Improvements to Land. The costs of grading land, installing bulkheads, fill dirt, etc., will be identified as improvements to land.
G-3.1. Acquisition of Civil Works Buildings. This guidance is limited to the acquisition of new buildings, replacement buildings, and the addition and betterments (A&B) to existing buildings that support Civil Works functions and are financed with Revolving Fund; Operation and Maintenance (O&M), General; or Mississippi River and Tributaries (Maintenance) funds. It does not apply to buildings financed with Construction, General or MR&T (Construction) funds. The following guidelines apply:

a. Buildings covered by this guidance include office and administrative facilities, laboratories, maintenance shops, warehouses and special purpose facilities.

b. Buildings shall not be constructed unless it is clearly evident that construction is more efficient, economical, and beneficial to the U.S. Army Corps of Engineers than the use of existing Defense Agency, Department of Defense, or other Federal facilities; leasing through General Service Administration (GSA); or using lease authority delegated by GSA. It is also policy to demolish or dispose of substandard buildings and to avoid the utilization of abandoned buildings, such as contractor's construction offices, without authorization from HQUSACE.

G-3.2. Building Acquisition Requirements. Building acquisition requirements must be justified in terms of meeting current and future mission needs. All building requests must specifically identify the need to be addressed and state the impacts that would result from taking no action. Requests must also contain:

a. Documentation, showing consideration of all viable options, providing justification of the alternative selected, including an economic analysis, and demonstrating affordability.

b. Commander's certification that counsel has determined that the acquisition is specifically authorized by an existing statute, or that authorization by the Congress is required
before the building may be acquired.

Requirement validation and planning, management and utilization of administrative space shall continue to be by the Major Army Command (MACOM) Engineer in accordance with the guidelines set forth in AR 405-70, Utilization of Real Property, the Chief's policy letters, and call letters/letters of instruction issued by the same office.

G-3.3. Building Acquisition Options. It must be recognized that the most obvious solution to a mission requirement may not be the most cost-effective available. In particular, constructing a building may create a liability, which may be difficult to dispose of, should the mission change. Justification for building acquisition must demonstrate that all practicable alternatives have been evaluated. Depending on the list of available options, the type of building, while unique to each decision, will usually include some of the following:

a. Modification of mission,
b. Contracting out of work,
c. Change in the type of plant or equipment utilized,
d. Conversion or rehabilitation of existing space, or
e. Splitting of functions among existing buildings.

Some alternatives will inevitably be less attractive than others will, but all viable options should be identified and evaluated as part of the decision process before submission for review. Use of ECONPACK or equivalent software is required, as is the completion of DD Form 1391 (see AR 415-15 for information on DD Form 1391 submission) for buildings costing more than $400,000. In evaluating options, territorial or proprietary thinking and solutions must be avoided. The fact that some splitting of staff in two or more locations may be required to employ a lease option, for instance, will not automatically be considered justification to reject that option. Lease terms should be closely examined to insure that the Corps has options that may be exercised if needs change.
G-3.4. **Building Acquisitions Affordability.** Acquisitions proposed for funding through the Plant Replacement and Improvement Program (PRIP) will require an affordability analysis. The affordability analysis has two purposes:

a. Determine whether there is a reasonable expectation that funds will be available to repay the PRIP, including depreciation, plant increment, and plant insurance charges, over the life of the building; and

b. Evaluate the impact of the acquisition on project or overhead costs. The analysis must be prepared to a level of detail appropriate for the scope and extent of work to be accomplished. The analysis must consider the current PRIP obligations and the effect of the additional acquisitions, as well as a realistic estimate of future income for the projects and programs supported, based on recent funding history and programmed future requirements. It must also include a realistic calculation of total ownership costs PRIP payback, as well as operating costs, normal and major maintenance, periodic renovation or rehabilitation, (etc.) of the building in order to accurately measure the impact on project or overhead costs. Non-PRIP buildings acquired with O&M funds should follow the same policy guidelines contained in this regulation.

G-3.5. **Building Acquisitions Review.** At every level, requests for authorization and funding for the acquisition of new buildings or the addition and betterment of existing buildings will undergo a stringent review for compliance with the requirements of this guidance, its references, and other applicable laws and regulations. All building requests will be coordinated with the facilities management function in the Logistics Office for evaluation against the activity's facility master plan/capital investment strategy and validation of the project requirement. In addition, all building requests $400,000 and greater will be coordinated through the Division Logistics Office for submission as a Major Item. Justification found to be incomplete, un-persuasive, or inconsistent with the facilities plan will be returned for resolution of outstanding issues.

G-3.6. **Improvements to Buildings.** Additions and betterments
are defined as improvements, rehabilitations, renovations, conversions, replacements or upgrades which either add something to a capital asset that was not there before or increase the useful life, capacity, operating efficiency, or usefulness of a capital asset.

G-3.7. Renovation and Maintenance of Buildings. Repairs and maintenance include all costs in connection with the renewal, substitution, or replacement of parts that have become worn out or inadequate for service, providing that the renewals or replacements have substantially no greater capacity than the parts replaced. Maintenance and repair does not require legislative authority. Maintenance is work required to preserve or maintain a facility in such condition that it may be used effectively for its designated purpose. It is the work done to minimize or correct wear and ensure the maximum reliability and useful life of the facility or component. Repair refers to the restoration of a real property facility, system, or component to such condition that it can be used effectively for its designated functional purpose. These costs are expensed and should be considered in the setting of rental rates.

G-3.8. Authorization to Build, Acquire, Improve or Renovate. The original authorization for the building must be cited in the justification statement accompanying the request. As the Corps does not possess general authority to make additions and betterments to Corps-owned buildings, specific legislative authority is required before the Revolving Fund may be used for that purpose. In the event a building does not have an authorization, the command must coordinate through the MSC to HQUSACE Office of Counsel (CECC-G) to obtain congressional authorization. Specific legislative authority is required for the following:

a. Any erection, installation, or assembly of a new facility.

b. Any addition, expansion, or extension of an existing facility. An addition, expansion, or extension is a change that increases the overall physical dimensions of a facility.

c. Any alteration or conversion of an existing facility. An alteration is a change to the interior or exterior
arrangement of a facility that improves its use for its current purpose. A conversion is a change to the interior or exterior arrangements of a facility that permits its use for a new purpose.

d. Any improvement, rehabilitation, renovation, or upgrade to an existing facility.

e. The replacement of a facility. The replacement of a facility is the complete reconstruction of a facility that has been damaged beyond economical repair or destroyed.

G-3.9. Other Structures and Facilities. Other structures and facilities include, but are not limited to, parking lots, radio towers, railroads, storage pads, bridges, moorings, wharfs, piers, levees, revetments, power stations, and dry-docks.
G-4.1. Capital Lease. A lease agreement conveys the use of an asset or part of an asset from one entity to another for a specified period in return for rent or other compensation. If any of the following conditions are met, the lease agreement is presumed to be an installment purchase and therefore, handled as a capital lease:

   a. The lease transfers ownership of property to the lessee by the end of the lease term.

   b. The lease contains an option to purchase the leased property at a bargain price.

   c. The non-cancelable lease term is equal to or greater than 75 percent of the estimated useful life of the leased property.

   d. The present value of rental and other minimum lease payments, excluding that portion of the payments that represent executor costs, such as insurance, maintenance, and taxes to be paid by the lessor, equals or exceeds 90 percent of the fair value of the leased property. The lessee will compute the present value of the minimum lease payments using the Treasury Average Interest Rate for Marketable Interest-Bearing Debt unless:

      (1) It is practicable for the lessee to know the interest rate implicit in the lease computed by the lessor; and

      (2) The implicit rate computed by the lessor is less than the Treasury Average Interest Rate for Marketable Interest-Bearing Debt.

   e. The last two criteria do not apply if the beginning of the lease term falls within the last 25 percent of the total estimated useful life of the leased property. An agency's "rental" of space from GSA does not meet these criteria.
G-4.2. **Lease Total Cost.** The total cost of the lease will be divided into principal and interest amounts as specified in the financial regulations. The annual principal amount will be charged through plant acquisition to plant-in-service, and is thus subject to the annual PRIP authority.

G-4.3. **Capital Lease Financing.** The Revolving Fund will not be used to finance a capital lease without specific PRIP authority. Authority to enter into capital lease agreements must be obtained in advance of including the item as part of the five year PRIP plan. If approved, the item will be included in the five-year plan for the term of the capital lease, and the value of the capital lease will be carried as a long-term liability. Approval to enter into capital lease agreements financed by any other funding source must be obtained from CERM-F by submission of a written request. All requests to enter into capital lease agreements must include:

a. A completed economic analysis, which clearly indicates that acquisition by capital lease is more cost effective than direct purchase. All requests of $400,000 or greater must include an affordability analysis.

b. A schedule showing annual PRIP requirements over the life of the lease.

c. A complete justification for acquisition of the asset.
The provisions of OMB Circular No. A-126, subject: Improving the Management and Use of Government Aircraft, as amended, will be followed.

a. Acquisition. Itemize the costs for design, inspection, long lead items, government furnished equipment, construction, and special purpose items separately.

b. Ownership. Ownership of aircraft will be based on the need to meet mission requirements that cannot be accomplished economically by other means, including services of the private sector.

c. Utilization. Annual review of the usage data maintained on aircraft is considered essential in determining whether the basis for retaining plant should be reanalyzed. Replacement, rehabilitation, or retention of aircraft that is considered obsolete or which has reached the end of its estimated life will be justified based on mission essential requirements, and economic and affordability analyses.

d. Disposition. Coordination with the Associate Administrator, Office of Government Wide Policy, General Services Administration is required to request authority to exchange or sell aircraft for the purpose of replacement.

(1) The letter needs to specifically request a deviation from the Federal Management Regulation 101-46.204(a)(1). The letter must contain the aircraft description, general condition, costs, physical characteristics, nameplate data, and schedule for disposal/replacement of both the aircraft to be exchanged or sold and the replacement aircraft.

(2) For ex-military aircraft, special disposition requirements for Flight Safety Critical Aircraft Parts (FSCAP) and life-limited parts installed in aircraft, their engines or as part of spare parts inventory, must be considered. These
parts need to be properly identified and the appropriate documentation made available during the exchange/sale.
G-6.1. Dredges.

a. Statutory Requirements. The provisions of the following laws are pertinent to USACE dredges.

(1) Public Law 95-269, describing the minimum federal dredge fleet.


(3) Public Law 104-303 (WRDA 96), Cost Sharing.

(a) Section 237, Hopper Dredges, placing the U. S. Hopper Dredge WHEELER in ready reserve status.

(b) Section 563, Hopper Dredge MCFARLAND, limiting improvements to $20M.


b. Acquisition. Itemize the costs for design, inspection, long lead items, government furnished equipment, construction, and special purpose items separately. The requirements of ER 1130-2-500 are applicable for acquiring dredges and performing major improvements. Coordination with the USACE Marine Design Center is required.

c. Ownership. Ownership of dredges will be in accordance with the provisions of applicable laws, rules and regulations, and will meet mission requirements.

d. Utilization. Annual review of the usage data maintained on dredges is considered essential in determining whether replacement, rehabilitation, or retention of vessels is
warranted. Justifications will be based on mission essential requirements, and economic and affordability analyses.

e. Disposition. Paragraph a (2) above describes the disposal of Corps dredges.

G-6.2. Other Floating Plant.

a. Acquisition. Itemize the costs for design, inspection, long lead items, government furnished equipment, construction, and special purpose items separately. The requirements of ER 1130-2-500 are applicable for acquiring other floating plant and performing major improvements. Coordination with the USACE Marine Design Center is required for MINS.

b. Ownership. Ownership of other floating plant will meet mission requirements.

c. Utilization. Annual review of the usage data maintained on other floating plant is considered essential in determining whether replacement, rehabilitation, or retention of vessels is warranted. Justifications will be based on mission essential requirements, and economic and affordability analyses.

d. Disposition. Disposition of other floating plant shall be in accordance with applicable property and fiscal management regulations.
SUB-APPENDIX G-7
MOBILE LAND PLANT

Reserved.

Communication lines, including lines used to link end users to computer systems and/or Local Area Networks, are considered an integral part of the building/facility in which they are installed since they cannot be easily removed and/or reinstalled in another building or facility. The same is true of telephone systems. Accordingly, communication lines and telephone systems will be capitalized in accordance with the capitalization guidance for additions and betterments if installed in a Corps owned building/facility or leasehold improvements if installed in a building/facility which the Corps occupies but does not own. Since individual telephone instruments can be and frequently are easily removed from the system, moved to another building and/or facility and connected to another system, inclusion of the cost of these instruments in the monetary value of the leasehold improvement or addition and betterment is inappropriate. Therefore, individual telephone instruments will not be included in the total cost of the telephone system when making capitalization determinations or capitalized as a part of the system. Individual telephone instruments will be expensed.

G-8.2. Other Fixed Land Plant. Reserved.
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G-9.1. **Purpose.** Tools, office furniture and equipment are broadly defined as items that cannot be consumed within one year (nonexpendable) for general office use, such as office furniture, work tools and drafting and survey equipment. These type items are subject to the PRIP threshold.

G-9.2. **Tools.** Although not an all inclusive listing, this subdivision is further defined as hand tools, power driven portable/mobile tools and equipment, such as concrete vibrators, pavement breakers, air hammers, electric or gasoline powered saws, drills, attachments thereto, and paint sprayers. Similar items that exceed the PRIP threshold and meet the PRIP criteria will be capitalized and financed with PRIP funding.

G-9.3. **Office Equipment.** This subdivision includes office equipment, such as calculators, typewriters, reproduction equipment not assigned to central reproduction plant, electric fans, portable air conditioner units, messenger carts and library equipment. If these items meet PRIP criteria, they will be capitalized.

G-9.4. **Office Furniture.** Conventional, modular, Furniture Systems, and office furniture will only be capitalized if:

a. The cost to purchase each individual item (Conventional), work station (Modular) or total cost of a furniture system, exceeds the monetary capitalization threshold; unless:

b. All of the existing office furniture (Conventional and Modular) is being replaced (In kind) in conjunction with a move to a new building or leased space; or

c. All existing conventional/modular office furniture is being replaced with a furniture system to reduce space requirements. Capitalized furniture systems will be carried on the property book as a system. Conventional and modular furniture workstations costing over $2,500 will be maintained on

G-9-1
the property book as individual assets using the same work item code to indicate a set relationship. Assets under $2,500 can be listed as a single line item reflecting total asset value for the set.

G-9.5. Other Equipment. Although not an all-inclusive listing, this subdivision is further defined as:

a. Survey equipment, such as transits, levels, tripods, plane tables, cameras, binoculars, telescopes, level rods, and electronic survey apparatuses. Similar items that exceed the PRIP threshold and meet the PRIP criteria will be capitalized and financed with PRIP funding.

b. Drafting equipment, such as drafting tables, stools, machines, etc., used in the performance of drafting and design, engineering work will be capitalized and funded with PRIP, if all PRIP criteria are met.
G-10.1. **IT Software.** Software, system related memory boards/computer chips and desk side devices such as electronic signature card readers loaded on or connected to microcomputers to allow the user to access and/or effectively use information technology systems are considered to be a part of the microcomputer. Accordingly, they will not be included in the monetary value of information technology systems for capitalization purposes even if they are purchased at the same time and/or from the same contract as the system(s).

G-10.2. **IT Software/Software Site Licenses.** Commercial, off-the-shelf software packages and/or site licenses installed in information technology systems for use by end users are stand alone items and should only be capitalized in those instances in which the individual software package/site license meets the basic capitalization criteria. In addition, the following guidelines apply:

a. Software, which has no more than a two-year useful life, should be carefully evaluated before being purchased through PRIP. If it is determined that PRIP funding is appropriate, such software will cease paying increment when it is fully depreciated.

b. Software that requires a minimum purchase of licenses will use the cost of the minimum number of licenses as the cost basis to determine if the purchase meets the capitalization threshold, even if more than the minimum licenses are necessary or will be purchased.

c. Site licenses purchased and used during the development and deployment stage will be part of the new system and capitalized if the system meets the capitalization threshold. Thereafter, site licenses will be considered an operating and maintenance expense.

d. Software and software site licenses acquired through the PRIP will be amortized in accordance with the following schedule:

G-10-1
Useful Life Schedule for Software

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<tr>
<th>Type of Software</th>
<th>Application</th>
<th>Useful Life</th>
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<td>Commercial Off-the-Shelf Software</td>
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<td>MSC/Regional</td>
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<td>MSC/Regional</td>
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<td></td>
<td>HQ/Corporate</td>
<td>5 Years</td>
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</table>

Approval for useful life exceeding five years, will be forwarded to CERM-F.

e. LAN systems, software, and hardware, once capitalized, will require routine maintenance and care. These costs will be expensed to the current operations. Software and hardware that do not significantly expand the user base served or do not provide additional functionality to the user will be expensed.

G-10.3. Definition of IT Software for Corporate Use.
Information technology systems customized and/or developed for Corps-wide use will be capitalized only if cost will be recovered primarily through user fees chargeable to the appropriate appropriations or projects. Costs that may be capitalized are limited to:

a. Costs clearly identified to major new software projects, distinguishable from recurring maintenance-type activities.

b. Costs incurred after technological feasibility has been established such as:

(1) Direct costs of developing the software includes salaries of programmers, systems analysts, project management, and administrative personnel directly involved in the planning, designing, coding or testing; associated employee benefits, outside consultants’ fees, and supplies.

G-10-2
(2) Initial training material and documentation manuals. Training costs, other than development of training materials, inherently fail the durability test for capitalization and will be expensed as incurred.

(3) Cost of data conversion will be expensed as incurred.
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SUB-APPENDIX G-11
INFORMATION TECHNOLOGY CAPITAL ASSETS

G-11.1. Information Technology Capital Assets. The types of capital assets under Information Technology include communications equipment, computers and peripheral equipment, computer aided design and drafting equipment (CADD) and water control data systems (WCDS).

G-11.2. Definition of Information Technology (IT) and Other Systems. For capitalization purposes, a system is defined as a series of interdependent, interconnected components, including software, designed primarily to work together as a harmonious whole to satisfy a specific requirement or series of related requirements. Systems with an estimated useful life of two or more years will be capitalized in all instances in which the total cost of the system, when fully assembled, meets or exceeds the current monetary capitalization threshold.

a. The acquisition cost of individual system components, shipping and/or delivery charges, site preparation costs, system installation/assembly costs and the cost of initial training material and documentation manuals are a part of the total cost of a system and must be included in the total system cost used in making capitalization determinations. Training costs other than development of training materials, inherently fail the durability test for capitalization and will be expensed as incurred.

b. While general-purpose microcomputers located at individual user workstations are frequently connected to information technology (computer systems, local area networks, etc.) systems, they are designed primarily to function as stand alone units. Therefore, they will not be included in the monetary value of information technology systems for capitalization purposes even if they are purchased at the same time and/or from the same contract as the system(s). They should only be capitalized if they meet the basic capitalization criteria as stand alone units.

G-11.3. IT Computers and Peripheral Equipment.
a. Computers and peripheral equipment have been standardized as follows:

(1) Computers and peripheral equipment rapidly become obsolete due to technological advances. Therefore, mainframe computers and peripheral equipment have been assigned a useful life NTE five (5) years. Microcomputers and their peripheral equipment have been assigned a useful life of NTE three (3) years.

(2) To maintain uniformity, computers and peripherals that are interconnected, interdependent and/or cannot be used independently as stand alone units will be depreciated as a single system or set.

(3) Peripheral equipment which can be used independently as stand alone units, such as high speed printers, etc., will be depreciated as individual or group units.

(4) Repairs and replacements of items included in a system/set will be accounted for in accordance with Appendix J.

G-11.4. Computer Aided Design and Drafting (CADD). Computer aided design and drafting equipment meeting the capitalization criteria will be funded through the Revolving Fund PRIP. Software installed in the equipment to make it functional for its intended purpose is considered a part of the equipment and will be included in the acquisition cost of the equipment.

G-11.5. Water Control Data System. Water control data system equipment meeting the capitalization criteria will be funded through the Revolving Fund PRIP. Hardware and software associated with the water control data equipment to make it functional for its intended purpose is considered a part of the system and will be included in the total acquisition cost. Individual rain gauges are not to be acquired using RF, PRIP.
SUB-APPENDIX G-12
WAREHOUSE INVENTORY

G-12.1. Warehouse Inventory. Reserved.
G-13.1. **Intangible Assets.** Intangible assets are defined as non-physical resources to other assets. Examples are patents, goodwill, and permits.

G-13.2. Reserved.
LEASEHOLD IMPROVEMENTS

G-14.1. **Leasehold Improvements.** Leasehold improvements will be capitalized if they meet the capitalization criteria for Civil Works property. This does not apply to USACE offices on military installations. The cost of leasehold improvements shall be amortized over five years or the expected duration of the lease, whichever is less. In addition, for leasehold improvements funded by the PRIP, no plant increment will be charged during the amortization period. Thus, all capital improvements meeting the above criteria made to real property, occupied, but not owned by USACE, must be capitalized as a leasehold improvement, and in no case be expensed.

G-14.2. **Types of Leasehold Improvements.** Leasehold improvements and additions and betterments in conjunction with an initial move to a leased facility, relocation to a leased facility, or reduction in space relocation within a facility will be capitalized. Typical types of leasehold improvements and additions and betterments include, but are not limited to:

   a. Initial installation or upgrade of automatic sprinklers; fire alarm and/or security systems; central air conditioning or heating systems; telephone systems; electrical wiring; communication lines for local area networks; or the expansion communication lines for local area networks.

   b. Conversion of storage space to office space; installation of emergency operations centers; construction of permanent walls in open areas; application of brick to wood frame structure and construction of a building, structure, or facility on leased land.

G-14.3. **Replacements in Kind.** Replacements in kind (same type or capacity) of carpeting, windows, floors, telephone, heating and air conditioning systems, and installation and/or removal of temporary walls and other like items are not subject to capitalization as leasehold improvements and should be expensed.
SUB-APPENDIX G-15
OTHER NATURAL RESOURCES AND OTHER ASSETS

G-15.1. Other Natural Resources. Reserved.

G-15.2. Other Assets. Reserved.
H-1. Purpose. To provide guidance on how to prepare Engineer Form 1978-R to present a five-year capital investment profile for the acquisition of capital assets through the Revolving Fund, Plant Replacement and Improvement Program (PRIP).
## PLANT REPLACEMENT AND IMPROVEMENT PROGRAM

### PRIP Five-Year Plan

#### Consolidated Program

**MSC/FOA:**

**DISTRICT/FOA:**

Approved By:

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Detail Listing of Requirements by Category Code Attached

**Eng Form 1978-R, Nov 2002**

**Figure H-1**

**Page 1 of 2**

**Proponent: CERM-BA**
### PLANT REPLACEMENT AND IMPROVEMENT PROGRAM

**PRIP Five-Year Plan**

**Detail Program**

**Type of Submittal:**

- Original [ ]
- Revised [ ]

**MSC/FOA:**

**DISTRICT/FOA:**

**PROPERTY ASSET CODE**

- Class ____  
- Sub Category ____

**Category Title:**

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| Total Sub Category: |  |  |  |  |  |  |  |  |

---

**Eng Form 1978-R, Nov 2002**

**Figure H-1 (continued)**

**Page 2 of 2**

H-4
H-2. **Instructions.**

a. **Background.** Each district shall provide MSC Commanders with a five-year PRIP budget consisting of the budget year plus four out-years. The out-years will be based on district priorities, present and future workloads. Division Commanders will review the district submittals to assure that the items are needed, realistic, economically feasible, and reasonably balanced over the multi-year period. Information submitted in the 5-year plan is used by HQUSACE to determine the overall PRIP dollar amount and the category dollar amounts for the budget year and future fiscal years that are submitted for Congressional approval. The out-year estimates will be used as a planning tool for future PRIP investments.

b. **Instructions for Completing the 5-Year Plan Document.**

(1) **MSC/FOA:** MSC/FOA name.

(2) **District/FOA:** District/FOA name.

(3) **Type of Submittal:** Indicate if the submittal is the initial (original) or revised (rev).

(4) **Approved By:** Title/Name of person responsible for approving the plan.

(5) **Date:** Date of initial approval or revision.

(6) Each plant category code has a tab at the bottom of this form. PRIP items for each category should be listed under the appropriate tab. The total for each category is linked to the District/FOA Total tab and summarized by category. Complete the following columns for each PRIP item under the appropriate category tab:

(a) **Description.** Self-explanatory

(b) **PRIP Project No.** Number assigned by HQ for approved Major and Minor items that require multiyear funding, as applicable.
(c) Total Cost. Total cost of the PRIP item.

(d) Prior Fiscal Year Cost. Total dollars obligated in prior fiscal years.

(e) Current Fiscal Year Cost. Current fiscal year funds received for each item.

(f) Budget Year. Budget year funding requests supported by ENG Forms 4943-R. Approved items support Civil Works Revolving Fund PRIP budgetary schedules submitted in the President’s Budget.

(g) Budget Year plus 1, 2, & 3. Budget Year Plus 1 represents items that will be included in the upcoming budget submittal, August-September timeframe. The remaining years’ information is used to determine future fiscal years’ PRIP program requirements.

c. Revisions to the 5-Year plan will be submitted when significant changes in the current year program and/or out-year plan occur. The revised plan will be staffed and forwarded to HQUSACE through and approved by the MSC Commander.
APPENDIX I

PRIP OUT-OF-CYCLE REQUIREMENTS

I.1. Out-of-Cycle Requirements. Out-of-cycle item requests will include an ENG 4943-R, PRIP Plant Item Justification Sheet, ENG 4613-R, and Continuing Major Item Update as appropriate. In addition to the requirements of ENG Forms 4943-R and 4613-R, the justification statement will address the following:

I-2. New Items. Requests for items identified outside the five-year planning process or out-year items in the five-year plan that must be moved forward and require funding in the current year will address the following:

a. Identify whether or not the item was included in the five-year plan submitted annually IAW budgetary guidance.

(1) If not included, what safety, legal, health, environmental condition, or mission requirement has occurred to necessitate this request?

(2) If included, what safety, legal, health, environmental condition, or mission requirement has occurred to necessitate moving this request forward?

b. Identify the mission that will fail if the item is not funded as requested.

I-3. Additional Funding. Approved items which require additional funding in the current year will address the following:

a. Identify any excess funds available within the MSC’s current approved program to fund all or part of the requirement.

b. Identify the condition or event that precipitated the cost increase.

c. Identify the mission that will fail if the additional funds are not provided as requested.
d. If the item is a major item, determine percentage of the cost increase and impact on the current Congressional authorized amount for item.

(1) If cost increase is less than 10%, only HQUSACE approval is required.

(2) If cost increase is 10% or more, item requires Congressional re-authorization at the new project total cost and must be supported with an updated economic analysis and affordability analysis.
APPENDIX J

DELEGATION OF AUTHORITIES

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<td>J-1-1</td>
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<tr>
<td>Sub-Appendix J-2 Project Owned Assets (Reserved)</td>
<td>J-2-1</td>
</tr>
</tbody>
</table>

J-1
J-1. Delegation of Authorities. This appendix provides a summary of delegated authorities to MSC Commanders and Field Operating Activities (FOA) for assets owned under the Revolving Fund, Plant Replacement and Improvement Program (PRIP).

<table>
<thead>
<tr>
<th>Category</th>
<th>Revolving Fund Owned</th>
<th>For Hire</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Acquisition</td>
<td>Additions &amp; Betterments</td>
</tr>
<tr>
<td>Land</td>
<td>No Delegation</td>
<td>No Delegation</td>
</tr>
<tr>
<td>Buildings &amp; Structures</td>
<td>$400,000</td>
<td>$200,000</td>
</tr>
<tr>
<td>Aircraft</td>
<td>No Delegation</td>
<td>No Delegation</td>
</tr>
<tr>
<td>Dredges: Non-Hopper</td>
<td>No Delegation</td>
<td>$200,000</td>
</tr>
<tr>
<td>Hopper</td>
<td>No Delegation</td>
<td>$200,000</td>
</tr>
<tr>
<td>Other Floating Plant</td>
<td>$400,000</td>
<td>$200,000</td>
</tr>
<tr>
<td>Mobile &amp; Fixed Land Plant</td>
<td>$200,000</td>
<td>$200,000</td>
</tr>
<tr>
<td>Information Technology:</td>
<td>$200,000</td>
<td>No Authority</td>
</tr>
<tr>
<td>Software</td>
<td>$200,000</td>
<td>No Authority</td>
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</table>
### Revolving Fund Owned Assets - Continued

<table>
<thead>
<tr>
<th>Category</th>
<th>Acquisition</th>
<th>Additions &amp; Betterments</th>
<th>Repair</th>
<th>For Hire</th>
</tr>
</thead>
<tbody>
<tr>
<td>ADP Equipment</td>
<td>$200,000</td>
<td>No Authority</td>
<td>$25,000</td>
<td>Full Authority</td>
</tr>
<tr>
<td>Communications Equipment</td>
<td>$200,000</td>
<td>No Authority</td>
<td>$25,000</td>
<td>Full Authority</td>
</tr>
<tr>
<td>Computer Aided Design &amp; Drafting Equipment</td>
<td>$200,000</td>
<td>No Authority</td>
<td>$25,000</td>
<td>Full Authority</td>
</tr>
<tr>
<td>Water Control Data Systems</td>
<td>$200,000</td>
<td>No Authority</td>
<td>$25,000</td>
<td>Full Authority</td>
</tr>
<tr>
<td>Tools &amp; Equipment</td>
<td>$200,000</td>
<td>No Authority</td>
<td>$25,000</td>
<td>Full Authority</td>
</tr>
<tr>
<td>Office Furniture</td>
<td>No Authority</td>
<td>No Authority</td>
<td>$25,000</td>
<td>Full Authority</td>
</tr>
</tbody>
</table>
J-2. Delegation of Authorities. This appendix provides a summary of delegated authorities to MSC Commanders, and Field Operating Activities (FOA) for Civil Works project owned assets.

<table>
<thead>
<tr>
<th>Category</th>
<th>Project Owned</th>
<th>For Hire</th>
<th>Transportation Costs:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Land</td>
<td>No Delegation</td>
<td>N/A</td>
<td>Full Authority</td>
</tr>
<tr>
<td>Buildings &amp; Structures</td>
<td>$400,000</td>
<td>$200,000</td>
<td>25% of Replacement Cost or $300K whichever is lesser</td>
</tr>
<tr>
<td>Aircraft</td>
<td>Not Applicable</td>
<td>Not Applicable</td>
<td>Not Applicable</td>
</tr>
<tr>
<td>Dredges:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Non-Hopper</td>
<td>No Delegation</td>
<td>$200,000</td>
<td>25% Replacement Cost or $1M Million lesser</td>
</tr>
<tr>
<td>Hopper</td>
<td>Not Applicable</td>
<td>Not Applicable</td>
<td>Not Applicable</td>
</tr>
<tr>
<td>Other Floating Plant</td>
<td>$400,000</td>
<td>$200,000</td>
<td>The Lesser of $3 Million or approved Work Allowance</td>
</tr>
<tr>
<td>Mobile &amp; Fixed Land Plant</td>
<td>$200,000</td>
<td>$200,000</td>
<td>25% of Replacement Cost or $100K whichever is lesser</td>
</tr>
<tr>
<td>Information Technology:</td>
<td>$200,000</td>
<td>No Authority</td>
<td>$25,000</td>
</tr>
<tr>
<td>Software</td>
<td>$200,000</td>
<td>No Authority</td>
<td>$25,000</td>
</tr>
<tr>
<td>ADP Equipment</td>
<td>$200,000</td>
<td>No Authority</td>
<td>$25,000</td>
</tr>
<tr>
<td>Communications Equipment</td>
<td>$200,000</td>
<td>No Authority</td>
<td>$25,000</td>
</tr>
<tr>
<td>Category</td>
<td>Acquisition</td>
<td>Additions &amp; Betterments</td>
<td>Repair</td>
</tr>
<tr>
<td>----------------------------------</td>
<td>-------------</td>
<td>-------------------------</td>
<td>--------</td>
</tr>
<tr>
<td>Computer Aided Design &amp; Drafting Equipment</td>
<td>$200,000</td>
<td>No Authority</td>
<td>$25,000</td>
</tr>
<tr>
<td>Water Control Data Systems</td>
<td>$200,000</td>
<td>No Authority</td>
<td>$25,000</td>
</tr>
<tr>
<td>Tools &amp; Equipment</td>
<td>$200,000</td>
<td>No Authority</td>
<td>$25,000</td>
</tr>
<tr>
<td>Office Furniture</td>
<td>$200,000</td>
<td>No Authority</td>
<td>$25,000</td>
</tr>
</tbody>
</table>
K-1. PRIP Eligibility Flowchart (Figure K-1) below, can be used to determine whether an item satisfies the eligibility criteria for a Revolving Fund PRIP capital asset.

![Flowchart of PRIP Eligibility Process]

**Figure K-1**
K-2. Major Item New Start (MINS) Flowchart (Figures K-2 thru K-4) below, provides the process from the initial conception phase to Congressional Authorization.
Revolve Fund, Plant Replacement and Improvement Program
Major Item New Start (MINS)
Concept to Authorization

1. Step one - Concept to Funding of Design Effort

Start Here

District Capital Asset Manager
Develops 5-Year Planning Document to identify Major and Minor Requirements

YES

NO

Division forwards Request for limited design funds to HQUSACE as Major Item New Start with supporting documentation

Division forwards Request for limited design funds to HQUSACE as a Minor Item with supporting documentation

HQUSACE reviews District/Division Requirement for Design Funds as a Minor Item and approves or disapproves item

YES

NO

HQUSACE reviews District/Division Requirement for Design Funds as a Major Item. See Step 2-3 for complete process.

Item continues processing through HQUSACE as a Major Item. See Step 2-3 for complete process.

Depending upon Funds Availability, HQUSACE will fund in the current year or upcoming Budget Year

Disapproved Request Returned to HQUSACE with action noted. May be resubmitted in subsequent Fiscal Year(s) Division returns request documentation

Disapproved Request for limited design funds is returned to Division with action noted. May be resubmitted in subsequent Fiscal Year(s)

Division returns request documentation

RF, PRIP Obligation Authority & Work Allowance for Design Effort (39%) issued to District

GO to Step 2

Figure K-2
K-3
Revolution Fund, Plant Replacement and Improvement Program
Major Item New Start (MINS)
Concept to Authorization

2. Step two - Completed Design Effort to MINS submission to HQUSACE (CERM-BA)

District Completes Design Effort
To develop Major item requirement;
Updates 5-Year Plan; and
Prepares and forwards required
documentation and justification to
Division to request a MINS in the
Budget Year+2 PRP Request

Division reviews
District MINS Request and
Approves or Disapproves Request

MINS Package returned
To District with action noted.
May be resubmitted
In subsequent Fiscal Year(s)

CERM-BA Reviews MINS Package
for completeness.

CERM-BA Consolidates the
Corps-wide MINS submittals
and forwards MINS Packages to
HQUSACE Proponents for review,
prioritization and coordination with
CECW-OB.

Request and Receive Additional
supporting Documentation from
Division/District.

GO to Step 3

Figure K-3

K-4
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
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.
GLOSSARY

Accrual Accounting - the reporting of all revenues, expenditures, asset purchases, and liabilities in the fiscal year they are incurred.

Additions - to enlarge original or existing items of plant by an increase in number, size, capacity, or amount, but not by replacing existing portions.

Base Effort - items that have been contracted for, purchased, or obligated during previous fiscal years and which require expenditures during the Current Fiscal Year or future fiscal years.

Base-Level Commercial Equipment (BCE) - An investment end item costing $250,000 or more and is not centrally purchased or managed by the Department of the Army.

Base-Level Commercial Equipment Program - A program within the Other Procurement, Army (OPA) appropriation (21Y2035) that is used to acquire certain equipment to support the commander's military mission. Subcategories exist within the OPA appropriation: OPA-1 is for administrative wheeled vehicles and is excluded from the BCE program. OPA-2 pertains to automation and communications equipment and OPA-3 pertains to all other types of equipment. OPA-3 funded items are included in the BCE program. Guidance is contained in DFAS-IN Manual 37-100-XX Financial Management, The Army Management Structure.

Betterments - improvements to existing items of plant by substitution, modification, renewal, or replacement of original parts with new parts that have a substantially greater capacity.

Budget Year - the fiscal year immediately following the Current Year.

CEFMS - the Corps of Engineers Financial Management System, which includes a Finance and Accounting (F&A) subsystem for processing, recording, and reporting accounting data for the activities in the Civil Works Revolving Fund.

Current (Execution) Year - the next fiscal year for which
funding authorization requests are submitted.

**End Item** - A piece of equipment that can be used in a stand-alone mode and does not lose its identity on application. However, for the purpose of the BCE program, the following can be constructed as end items: attached system components that are separately authorized, procured, catalogued, and accounted for on property documents.

**Execution (Current) Year** - same as Current Year.

**Grouped Major Items** - a collection of like items or a system consisting of several items that, when grouped together, exceed HQUSACE authority and thus require submittal for approval to the Office of Management and Budget (OMB) and the Congressional Committees on Appropriations, but which individually do not exceed HQUSACE authority. (Examples: ADPE, WCDS, Communications Equipment, etc.)

**Grouped Plant** - miscellaneous items of floating and land plant that may be grouped into units of the same type and of approximately the same size or service capability. A group generally should consist of two or more similar items of plant, but may consist of a single item of plant if only one item of a class is owned. (This definition is used in the preparation of ENG Form 2438.)

**Incremental Effort** - items that cannot be classified as base effort.

**MACOM Approved (MAPP) Item** - As used in this regulation and in PAM 708-3, MAPP refers to those items purchased with BCE funds that have been delegated to TDA proponents (HQUSACE) to approve for inclusion in the appropriate TDA. AR 750-43 contains approval requirements of test, measurement, and diagnostic equipment (TMDE) items.

**Major Items (Continuous)** - consist of Major Items that were previously submitted to and approved by the Office of Management and Budget (OMB) and the Congressional Committees. After CECW-0 notifies division engineers of approval, these Major Items shall be included in the Current Year submittal for funding purposes.
as high priority item within the division approved Five-Year PRIP. Major Items under design or contract shall be given the highest priority in the Current Year submittal.

**Major Items (New)** - those items exceeding HQUSACE authority and requiring submittal to the Office of Management and Budget (OMB) and the Congressional Committees on Appropriations for approval.

**Minor Items** - those items exceeding the current capitalization level in the financial regulations, but that do not exceed the HQUSACE authority level.

**Motor Vehicles** - See ER 56-2-1 for the definition.

**Non Base-Level Commercial Equipment (Non-BCE)** - An investment end item normally costing $250,000 or more and requiring Army central management or procurement by direction of the Office of the Secretary of Defense (OSD) or by Army regulation. Non-BCE is found in PAM 708-3, Chapter 6 and is HQDA approved. BCE funds will not be used to procure non-BCE.

**Non-Grouped Plant** - single items of plant for which an ENG Form 22 is prepared. Generally includes aircraft; dredges; structures with an estimated replacement costs of $200,000 or more; and major floating plant, major mobile land plant, major fixed land plant, and any other-major item of plant with an estimated replacement cost of $100,000 or more.

**Non-MAPP Items** - These items require Army approval prior to inclusion in the TDA.

**Non-standard Items** - Non-standard items of equipment are those items authorized by TDA, which are invested end items costing $250,000 or more and are not Army centrally managed or purchased. Non-standard item requirements are considered recurring and generic in nature. The requirements are primarily to replace engineer equipment, recreation equipment, kitchen equipment, office equipment, laundry equipment, and automatic data processing equipment that is either broken, worn out, or obsolete.

**Personal Computer (PC) System** - an interdependent group of items, including hardware, such as the CPU, keyboard and
monitor, and possibly including a printer, plotter, modem, etc., and also including necessary software, which form a complete and usable unit for the intended functions. This definition refers to PC's only and not to mainframe computers or minicomputers.

**Prior Year** - the fiscal year immediately preceding the Current Year of the PRIP.

**Project** - a single project may be either an entire project authorization or any major subdivision thereof by location or separate operable unit for which a separate group of feature cost accounts or separate operational records are maintained.

**Project Owned** - plant acquired with Civil Works project funds to serve only that project.

**Revolving Fund Owned** - plant acquired by the Revolving Fund to serve more than one Civil Works project or to be used by multiple Civil Works appropriations.

**Standard Items** - Standard items are materials, parts, components, subassemblies, or equipment identified or described in military or adopted Federal and industry standards. For the purpose of this regulation they are items, which are centrally managed and purchased by HQDA.

**Table of Distribution and Allowance (TDA)** - A document, which authorizes manpower and equipment for Corps of Engineers organizations. TDAs are governed by AR 71-32.