
TECHNICAL HANDBOOK FOR
ENVIRONMENTAL HEALTH AND ENGINEERING
VOLUME IV - REAL PROPERTY
PART 30 - ASSET MANAGEMENT

CHAPTER 30-2 - GUIDELINES FOR REAL PROPERTY ASSET ACCOUNTABILITY

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30-2.1 INTRODUCTION

A. Background

The Congress enacted several laws that require a high level of accountability between the Indian Health Service (IHS) subsidiary ledgers (e.g., the IHS Real Property Inventory [RPI]) and the Agency's overall financial records. These laws are the *Chief Financial Officers Act of 1990* (Public Law [P.L.] 101-576); the *Government Performance and Results Act of 1993* (P.L. 103-62); and, the *Government Management Reform Act of 1994* (P.L. 103-356). To implement these Acts, the Federal Accounting Standards Advisory Board (FASAB) developed Federal Financial Accounting Standard #6 (FFAS #6) - *Accounting for Property, Plant and Equipment*. This standard establishes procedures for Federal agencies to track real property assets and requires reconciliation between the subsidiary ledger accounts and the Agency's general financial statements.

In basic terms, an Installation's real property asset value is increased (capitalized) when a facilities project improves an asset or constructs a new asset (build a building or structure). The capital value of an asset (and resultant RPI entry) is reduced when the building or structure is dismantled, razed, demolished or excessed.

Facilities projects that will be IHS owned property, whether funded with new construction, maintenance and improvement (M&I), 3rd-party, or Medicare/Medicaid (M/M) funds, etc., may require entries (capitalizable/expensed) in the Unified Financial Management System (UFMS).

B. Purpose

These guidelines establish procedures to ensure real property accountability.

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As indicated above, the capital value of IHS' Federal real property assets must reconcile with the Agency's financial General Ledger (GL) and the prorated total costs (expensed and capitalized) indicated in both ledger systems. These guidelines concern the facilities and projects portion of the records and those actions undertaken by Area Realty Management Officers, Project Officers, and Facilities personnel to insure this reconciliation. Personnel handling real property and facilities issues shall ensure correct identification, costing, recording and reconciling of these costs. These guidelines assure consistency, verification, and justification for asset values included in the RPI.

To verify costs entered into the RPI, all capitalizable projects must be entered in the Unified Financial Management System (UFMS) Project Accounting (PA) module. Copies of the Project Activity Report and the Project Funding Report available from UFMS must be maintained as part of the capital asset acquisition record in the permanent real property file at Headquarters (HQ). These documents are subject to audit and will be used to substantiate the value of the real property asset in the RPI.

C. Scope

These guidelines apply to all IHS-held federally-owned real property assets whether managed by the IHS or by a tribe under Contract or Compact, other Federal agencies, or state and local governments. These guidelines provide a standard methodology to record both capitalizable and expensed costs and describe the process and the documentation requirements. These requirements are mandated to ensure compliance with the above cited laws and standards.

Architecturally-significant, historic, Federal mission, culturally sensitive, Indian trust, and former IHS facilities are subject to Stewardship Reporting requirements in FFAS Standard #8. These asset management requirements are addressed in Part 30, Chapter 30-05, Reporting Heritage Assets and Lands Held in Trust.

30-2.2 DEFINITIONS

Appraisal - An appraisal is a certified appraiser's current fair market estimate of the value of a building and/or site. The evaluation must be performed by a GSA-approved and licensed appraiser. Construction cost appraisals are used to determine probable cost to construct whenever all the requisite documentation is not available.

Area Realty Management Officer (ARMO) - Generally, the IHS Area designee responsible for carrying out the inherently governmental policies and procedures of the Department of Health and Human Services (DHHS), the IHS, and the General Services Administration (GSA) in

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matters relating to the acquisition, management, accountability, and disposal of federally-owned or leased real property.

Beneficial Occupancy (BOC) - Beneficial occupancy is the official date (as approved by the Contracting Officer) when an asset, or new portion of an existing asset, is placed-in-service and/or is occupied by the owner. See also Estimated Beneficial Occupancy. (This may also be occasionally referred to as 'Substantial Completion.')

Building Service Equipment (Real Property Installed Equipment) - Equipment permanently installed in or attached to buildings or structures that becomes part of the real property for the purpose of rendering the real property usable or habitable. The removal of such equipment would require major repairs to make the building become functional again. Such equipment includes: Heating, Ventilation, and Air Conditioning systems (HVAC), elevators, fume hoods, exhaust systems, etc. Building Service Equipment does not include personal property such as x-ray units, incubators, dental chairs, telephones, intercom and nurse call systems, and computer equipment, etc.

Capital Expenditure - The cost of an improvement made to extend the useful life of a property or to substantially enhance its intrinsic value. An example is to replace the existing 10-year shingles on a roof with 25-year shingles.

Capital Improvement - Any structure or component erected or installed as a permanent improvement to real property that adds to its value, total useful life, or its capacity.

Capital Lease - Lease that transfers substantially all the costs, benefits and risks of ownership to the Lessee. Capital Leases require approval by the Department, the Office of Management and Budget, and eventual funding by the Congress.

Clean Up Costs - The cleanup costs of properties contaminated with materials posing a health, safety or environmental hazard. Cleanup costs are the costs of removing, containing, and/or disposing of hazardous wastes from property.

Capitalization - Cost accounting procedure which records and carries forward into future periods the increases and decreases of real property values based on new construction, improvements or disposals of real property.

Capitalized Repair and Improvement Items - Repairs and improvements that replace major segments of interior and exterior utility systems, replace major structural and mechanical building components, or replace windows, flooring, roofing, chillers, etc., are capitalized when the replacement significantly upgrades the old component and adds

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value by extending the useful life of the whole building or structure. Simple replacement is not a capital expenditure as it only maintains the status quo.

Common Costs - Common costs are those costs which are prorated and distributed across several real property asset line items. Design fees are an example of common costs. These costs generally do not fall appropriately under one specific object class. Common costs are identified in Exhibit I. Common costs shall be listed as construction-in-progress until allocation.

Construction - The construction, erection or installation of a new facility or system, or work which expands the current size of an existing building by constructing additional functional space, e.g., by constructing a building addition or adding additional levels. Construction also includes converting a building from one primary function to another, i.e., work which results in a change to the functional use code.

Construction Contract Administration Services - Administration by the Government to monitor and inspect construction (may include services by outside A/E firms).

Construction-in-Progress (CIP) - CIP is the timeframe before a project reaches its Beneficial Occupancy Date. It is not complete, i.e. not placed in-service or beneficially occupied.

Contracting Officer (CO) - Contracting Officer is the IHS representative who has technical and administrative authority to solicit, negotiate and awarding contracts. Also, this is the only Government officials who can obligate the agency under contract and have the responsibility for selection of the contract type and acceptance of the Contractor's Release of Claims.

Deferred Maintenance - Maintenance and repair that was not performed when it should have been or was scheduled to be and which, therefore, is put off or delayed for a future period. Reporting requirements and definitions are included in Part 30, Chapter 4, *Guidelines for Determination of Deferred Maintenance*.

Depreciation Accounting - The systematic and rational allocation of the acquisition cost of an asset, less its estimated salvage or residual value, over its estimated useful life.

Demolition - Demolition is the removal of a facility or portion of a facility.

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Disposal - Disposal is the act of transferring the control and accountability of an asset or the total demolition or destruction of the asset.

Donation - Donation is the acceptance of a gift of real property by and on behalf of DHHS. The Department retains this delegation of authority. Costs of real property donated from a non-Federal entity shall be recorded at its current fair market value.

Estimated Beneficial Occupancy - The estimated date beneficial occupancy will occur. This date will be entered into the UFMS Project Accounting Module during project set-up and will generally be the estimated date for project completion. See also Beneficial Occupancy.

Expensed Costs - Outflows or other using up of assets or incurrence of liabilities (or a combination of both) during a period from providing goods, rendering services, or carrying out other activities related to IHS programs, the benefits from which do not extend beyond the present operating period [e.g. annual expenditures]. As contrasted with capitalized costs, expensed costs are those operating costs, accrued during the period the operating expense is incurred, that do not yield tangible assets.

Financial Management Officer (FMO) - The Area Finance Office contact who works with Project Officers to reconcile the financial General Ledger with values in the Real Property Inventory.

Fair Market Value - The price at which property is transferred between a willing buyer and seller, each of whom has a reasonable knowledge of all pertinent facts, with neither being under any obligation to buy or sell.

Federal Financial Accounting Standard #6 - The Federal Accounting Standards Advisory Board (FASAB) standard titled, *Accounting for Property, Plant and Equipment* (PP&E). This institutes the new financial management and accountability process for Federal agencies and real property asset management.

Force Account Construction - Work done by in-house Government employees.

General Ledger (GL) - The General Ledger accounts for all expenditures by the IHS. It is maintained by IHS Finance Officers and used during the reconciliation process.

Gross Area - The sum of the floor areas in square meters computed by measuring from the normal outside face of the exterior walls, disregarding architectural setbacks, or projections, cornices, pilasters, and buttresses, and including all stories or areas which

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have floor surfaces and a clear standing headroom of 2 meters or more. Gross area includes basements (except unexcavated portions), attics, garages, roofed porches, mezzanines, loading platforms, shipping platforms, penthouses, mechanical equipment floors, lobbies and corridors.

Health Facilities Data System (HFDS) - HFDS is the IHS automated database system that encompasses the life cycle management of IHS real property resources. It is the only official source of real property information. The database system tracks the IHS assets maintained in the Real Property Inventories (RPI owned and direct-leased); assists in managing Deferred Maintenance and the Backlog of Essential Maintenance and Repair (BEMAR) through the Facilities Engineering Deficiency System (FEDS); and provides a tool for funds allocation through the Maintenance and Improvement Data System (M&I).

Land Holding Agency - A landholding agency has acquisition and disposal authorities for the real property asset under their control.

Improvements - Projects that encompass structural changes, additional space, new or expanded utilities, deletions, conversion or alterations, modernization and/or special utilization changes to buildings, structures or grounds.

Land Rights - Interests and privileges held by the Government in land owned by others, such as leaseholds, easements, water and power rights, diversion rights, submersion rights, rights-of-way, and similar interests in land.

Lead Realty Officer - Person responsible for developing and implementing IHS realty policy, direction, and guidance on a nationwide basis. The position is located in the Division of Facilities Operations, Office of Environmental Health and Engineering, Headquarters.

Lease - A lease is a legally binding enforceable contract which defines the terms and conditions, and relationship between the owner (lessor) and the occupant (lessee) concerning the right to use and occupy the property for a specific period of time.

Leasehold Improvements - Improvements or modifications to existing leased real property which upgrades the property, will extend the property's useful life, or improve the property's capacity.

Maintenance - Maintenance is the act of keeping fixed assets in usable condition, including preventive maintenance, normal repairs, replacement of parts and structural components, and other activities to preserve the asset for its originally intended purpose.

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Maintenance is the day-to-day work required to preserve real property facilities, to prevent premature failure, to prevent the wearing out of system components, and to achieve the facility's expected life.

Maintenance **excludes** activities aimed at expanding the capacity of an asset or otherwise upgrading it to serve needs different from, or significantly greater than, those originally intended.

Non-capitalized Maintenance and Repair Items - Routine maintenance and repair postpones additional physical deterioration of real property. This work maintains real property in good physical condition or restores so that it may be utilized for its original or desired purpose with no significant added benefit. This includes routine and preventive maintenance and component replacement of similar value and quality; routine maintenance does not add value and is not capitalized.

Object Class Code (OCC) - A uniform numerical code that describes the "nature" of the service or article for which obligations are first incurred, regardless of the purpose, function, or program served. It must be indicated on all financial transactions. As an example, construction-in-progress is assigned an OCC 32502.

Original Cost - The amount of cash or its equivalent paid to acquire or construct an asset [also referred to as historical cost]. It is also called acquisition cost, or original book value.

P-Building - This term is used for a projected new building or structure until verified/validated by Headquarters.

Personal Property - Personal property consist of items that are consumed or exhausted in use, such as, medical, dental, ADP, telecommunications, nurse call systems, desktop items, and furniture type equipment. This chapter does not address the accounting for Personal Property; see IHS Manual, Volume V, Chapter 12, *Personal Property Management Program*.

Project Manager - The person who is responsible for the day-to-day project operations. Use of the term Project Manager or Project Officer may be synonymous.

Project Officer (APO, ESPO) - The project officer is the person managing the day-to-day project operations. The APO is the designated individual responsible for entering data into the UFMS Project Accounting Module. Every construction, maintenance, repair and improvement project shall have a project officer who is formally designated by the Contracting Officer (CO).

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Projects which are managed by a Division of Engineering Services office will have two project officers, the Engineering Services Project Officer (ESPO), and the APO.

Real Property - Real property (or real estate) consists of land, land rights, land improvements, buildings, capital leases, real property installed equipment (building-service equipment), donated buildings, other structures and appurtenances.

Real Property Capitalization Package (RPCP) - The fully documented report which captures the total value change to a building or structure as a result of a completed project. The RPCP consists of the following:

- Real Property Voucher
- Real Property Report
- UFMS Project Accounting Funding Report
- UFMS Capital Project Status Report by Area
- Release of Claims

Real Property Category Codes - A 6-digit number assigned to existing and planned facilities and used for all systems and programs classifying items of real property for accountability and accurate reporting of Federal real property (i.e., land, building or structure).

Real Property Closeout - This action is performed by the Division of Facilities Operations and the Office of Finance and Accounting to move project costs to the actual asset costs in the Agency's General Ledger. The building or structure's capitalizable value, based on UFMS reports and the RPCP is added to the IHS Real Property Inventory.

Real Property Inventory (RPI) - The IHS-wide asset management database and subsidiary ledger that accounts for federally owned and leased real property for which IHS has custody and accountability.

Real Property Report - The Real Property Report is used to show the breakdown of costs associated with buildings and/or structures identified in the Real Property Voucher.

Real Property Survey Report - The Real Property Survey Report, form HHS-579, is used to convene a board to review and determine the appropriate disposition of buildings or structures. The board's recommendations must be approved by the Director, OEHE, before disposition is effected. Whenever a PSD or PJD calls for demolishing a building or structure before erecting a new one, a RPSR must be approved in advance of the demolition.

Real Property Voucher - A Real Property Voucher, form PHS-88, is used to change the Owned Real Property Inventory. All vouchers require

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UFMS Project Funding Report and Capital Project Status Report by Area, applicable real property reports, and releases of claims to complete the RPI transaction requested.

Release of Claims - Document signed by the contractor at the completion of a contract which bars the contractor from later asserting any claims not accepted in the release. This mandatory document originates from Acquisition; however, it may not be received for some time after an asset is placed into service.

Repair - Work required for any facility (i.e., building, utility system, or other real property infrastructure) or facility component to restore its safe, effective and operating condition.

Service Utilities - Includes district heating and/or cooling, electrical, natural gas, water, and sewer systems. Costs are capitalized at the point of Federal ownership. Water and sewer service lines vary by utility and location as to where the meters and cleanouts are located relative to ownership transition points; the APO needs to be aware of this for asset management purposes.

Site Acquisition Costs - Activities that add to the value of land such as appraisal fees, purchase price, closing costs, pre-paid taxes, escrow fees, interest, title insurance and recording fees, etc.

Stewardship Land - Land in the public domain such as the National Park Service or National Forest Service land. IHS-held Federal Indian Trust Land is also included. Stewardship land values are always recorded as \$0.

Structure - Asset permanently fixed to the land but not designed as a building for human occupancy.

Transfer of Real Property to IHS - The acceptance of real property from another Federal agency. The costs of transferred real property shall be recorded at its net book value at the time of transfer. If the net book value is unknown, the appraised land value and its appraised original construction cost (conducted by a GSA-approved appraiser) shall be recorded for the real property asset value.

Unified Financial Management System (UFMS) - a Department-wide integrated financial system.

UFMS Project Accounting Funding Report - UFMS report detailing the total project funding, commitments, obligations and disbursements. This report is available through the Discoverer reporting tool in UFMS.

UFMS Capital Project Status Report by Area - UFMS report identifying all project cost items (capitalizable or expensed) that are

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distributed in UFMS. This report is available through the Discoverer reporting tool in UFMS.

30-2.3 PROCESS

A. Introduction

The Real Property Inventory (RPI) is the major component of the Health Care Facilities Data System (HFDS). The RPI tracks all asset values for acquisitions, capital improvements, renovations, depreciation, transfers and disposals. This section describes the responsibilities and processes for documenting, approving and reconciling data.

B. Responsibilities

1. Area Office

Each Area Office is responsible for managing projects during the Construction-In-Progress (CIP) phase. The Area is responsible for using the UFMS Project Accounting Module for capitalizable projects and maintaining the information/documentation available for audit review. Creation of a new project in the UFMS Project Accounting Module begins the Construction-In-Progress process.

- a.** The APO - The UFMS Project Accounting Module is the tool and method to be used for tracking the project information, including payments, while the project is under construction. It is the APO's responsibility to create the project record and for the accuracy of the information in the Project Accounting Module. The APO is responsible for entering data into the UFMS Project Accounting Module for all capitalizable projects under the officer's charge. Any project meeting one of the thresholds in section 30-2.5, Capitalization, shall be entered into UFMS before funds are obligated.

At beneficial occupancy (BOC), the APO prepares the RPCP attaching the UFMS project accounting reports and provides the information to the Area Real Management Office (ARMO) within 45 working days of BOC.

Upon receipt of the Release of Claims, the APO prepares (if applicable) an adjusted Real Property Capitalization Package (RPCP) adjusting any payment data previously submitted to HQ. The APO shall provide an adjusted package to the responsible Area Realty Management Officer within 45 working days after the Contractor's Release of Claims is signed.

The APO and the ARMO will assure the final facility costs are distributed into the appropriate RPI categories.

THE ARMO - The ARMO is responsible for assuring that the real property documentation is prepared and submitted to

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Headquarters within 45 working days after receipt of documentation from the APO. The documentation required to be submitted to Headquarters is the RPCP.

- b. Real Property Transfer Documentation (if applicable), i.e., documentation from transferring Agency, gifting documentation, etc.

The ARMO shall:

- verify through UFMS that all payments have been made;
- assure that items not capitalized, i.e., expensed items, are included in this documentation and that the Real Property Reports differentiate expensed and capitalized items (See Exhibit III); and
- assure facility costs are apportioned into appropriate RPI categories and prepare Real Property documentation based upon two UFMS Project Accounting reports specified above.

NOTE: The Area is responsible for meeting the above requirements within 90 working days from beneficial occupancy and/or the completion of the contract. It is the Area's responsibility to assign who will retain all documentation prior to submission of Real Property documents to HQ.

2. The Division of Engineering Services (DES)
The ES Project Officer (ESPO) and/or Project Manager are responsible for providing the information required to the APO for projects managed by ES within 25 working days of BOC to allow the APO to meet the above deadlines requirements. The DES Operating Instruction 3-3, Real Property Reporting, outlines their procedures. The method of compiling and transmitting the required asset management data to the respective APO shall be based on locally agreed upon procedures. The Division of Facilities Operations, HQ receives official data and documentation only from the ARMO.
3. The IHS Headquarters
The Division of Facilities Operations (DFO) - DFO is responsible for updating the RPI based on receipt of the Real Property documentation. Review and acceptance of the data will be within 60 working days of receipt of the documentation.

The DFO will retain the Area's Real Property submissions in the official real property file.

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30-2.4 CONSTRUCTION IN PROGRESS AND PROJECT INFORMATION

In the General Ledger, all project costs (except land costs) accumulate in CIP until a project is placed-in-service. Specific General Ledger accounts and related object class codes are maintained in the RPI and financial system for CIP. In the monthly reconciliation process the APO must assure the UFMS Project Accounting Module accurately reflects cumulative payments to date for each construction project.

The UFMS capital project template (within the PA module) must be used for capitalizable projects for the following reasons:

- It is the only way to assure accurate capitalization entries are created within the UFMS GL for a Building/Asset;
- It associates Building Identifiers to Top-level Tasks and allows the project to provide the building information to other UFMS modules;
- It associates disbursements, expenses, and CIP costs to a particular building. Once the project is placed in service/capitalized, the GL should be updated to reflect debiting the Building/Asset cost and crediting the CIP costs from the PA module. This entry has the effect of transferring the CIP costs to Asset value in UFMS GL;
- It allows for tracking of CIP costs by Building/Asset; and
- Allocations can only be accurately performed on Buildings/Assets if costs are tracked via projects created through the Capital project template.

NOTE: The UFMS Object Class Code is the permanent object class and does not change in the GL. Object Class Codes are tracked in the UFMS Project Accounting module and upon beneficial occupancy are moved to the GL and concurrently added into the Real Property Inventory via the RPCP. CIP Object Class Codes are no longer used directly. The CIP financial account is now a derived value calculated from capitalizable tasks within projects using the Capital Project Template within the UFMS Project Accounting Module.

The APO must assure that the contract and any subsequent modifications are associated with the correct Project-Task combination in UFMS.

The APO must also assure that P-Buildings are entered into HFDS for all new Installations, Buildings, or projects that add space. Note: Depending on Area procedures, the APO may not be the person who creates the P-Building record in the HFDS, but they are responsible for assuring that it is done.

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The APO will:

- Determine the Estimated Beneficial Occupancy Date and enter it in the appropriate field in UFMS;
- Verify applicable data in UFMS;
- Forward to the ARMO the two UFMS Project Accounting reports specified in section 30-2.3 B 1 b above.

30-2.5 CAPITALIZATION

A. Introduction

This section defines the categories of real property to be capitalized on a building or structure basis. All projects shall be capitalized that encompass:

- new construction;
- space expansion or additions;
- major renovations or other substantial improvements that materially increase the usefulness, productivity, or other value of real property, or substantially extends the useful life of the real property; or
- capital projects that meet or exceed thresholds and dates identified in the table below:

\$ 0 or more	Any project that increases existing space or adds a new building or major structure record.
\$ 5,000	Capital projects when the initial expenditures (e.g., design) began before October 1, 2004
\$ 25,000	Capital projects with expenditures initiated between October 1, 2004 and September 30, 2005
\$ 100,000	Capital projects beginning October 1, 2005 or later

NOTE: Construction projects (that DO NOT add or change the use of space) often include work on more than one building or structure. For example, although a \$500,000 capital repair project would appear to exceed the thresholds above, it may affect 8 buildings, each with work under \$100,000 and thus would not need to be capitalized as no individual building or structure exceeds the threshold. When a project exceeds the thresholds but is known from its outset that it will be 100% expensed, no capitalization is needed.

Once capitalized real property items are identified, common costs are identified and set aside for allocation. The capitalized real property items are then assigned the appropriate Object Class Code (OCC).

Many costs that are not capitalized as real property may be accounted for as part of some other costing methodology. For example, personal property costs cannot be capitalized as part of real property but are

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capitalized as part of the personal property system. Project costs that are not capitalized are expensed and are not covered by these guidelines.

B. Methodology

Land shall be entered into the RPI at the time of acquisition (OCC 32101).

All project costs shall be classified in the appropriate Object Class Code, e.g., buildings, structures, improvements. At the time the facility is placed-in-service, all asset costs shall be distributed into the appropriate real property category code (see Exhibit IV) in the Real Property Report.

Exhibit I identifies items typically capitalized and their UFMS object class codes and descriptions including capitalizable common costs examples. Exhibit II identifies items typically expensed and not eligible for capitalization under real property asset management principles.

C. Allocation of Capitalized Items

1. Introduction

This section provides a methodology for distributing capitalized items into RPI categories. The value of land is recorded in the year purchased. Other asset items must be allocated, initially, at the time the facility is placed-in-service (BOC) and a RPCP is completed. At the completion of all project activity, all costs shall be distributed and allocated to the appropriate Real Property categories.

Land costs shall be allocated to object class 32101 at the time of acquisition.

If the facility is removed to build a new facility, the demolition costs should be recorded as an improvement to the land. If no facility is scheduled to be built on the site, demolition costs should be expensed.

In the case of multiple POs, i.e., at the Area and ES, the APOs shall work with the ESPO to jointly compile the data and submit a combined report to the ARMO. See Exhibit III for an example of allocation of capitalized items.

2. Identify Capitalized Items

The APO(s) shall identify and evaluate the items to be capitalized and if adjustments are required shall use reasonable and prudent professional judgment.

Assets that are permanently fixed to the land but not designed as a building for human occupancy are structures. Major structures are

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capitalized individually as a constructed asset. Major structures may include parking lot, utility distribution systems, road systems, etc. Structures that are minor in nature are not individually listed as a constructed asset but rather included in the overall capitalized cost of the parent building. They may include utility laterals, curbing around the building, a few parking spaces in front of the building, entrance driveway, etc. There will always be instances when the Project Officer and Area Realty Management Officer's judgment are required to determine whether a structure should be an individual asset or part of the parent building.

Examples of Capitalized Repair and Improvement Items:

Each item below should be capitalized if it significantly upgrades the original components or equipment, if it significantly increases the facility value, or if it extends the service life of the whole facility as a unit. Replacement of components/equipment of similar value and quality is expensed. All new first time items are capitalized, whether part of a new building or major structure, or an upgrade/renovation project. There will always be instances when the Project Officer's judgment is required.

Examples of Items that should be Capitalized:

- Boiler/furnace replacement
- Air conditioning replacement
- Ground source heat pump system
- Window replacement
- Door replacement
- Flooring replacement
- Roof replacement
- Sprinkler system
- Fire alarm/security system
- Space additions
- Remodeled space (if upgraded or significantly modernized)
- Fence
- Walkway
- Driveway
- Landscaping
- Retaining wall
- Siding replacement
- Shower stall replacement
- Elevator additions
- Stair tower additions
- All Type I equipment installations
- All ECM and water conservation projects involving buildings/structures

Examples of Non-capitalized Repair and Improvement Items:

- Repainting interior/exterior
- Repairing gutters/downspouts
- Repairing roof leaks
- Replacing broken windows
- Plastering
- Siding/stucco repair
- Patching damaged flooring
- Repairing damaged doors
- Replacement of electrical; mechanical; architectural; structural components with like items
- (list continued next page)

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Examples of Non-capitalized Repair and Improvement Items, Continued:

- Replacement of existing landscaping/irrigation system
- Water treatment equipment
- Repairing elevators
- Routine maintenance on all mechanical/electrical equipment
- Replacement of flooring, walls, doors, windows, ceiling and
- Roof components with the same standard as the original
- Project costs to maintain historical or stewardship characteristics of building or structure

The following categories are considered expensed for purposes of asset management reporting, but are actually treated as liabilities (negative entries) in the General Ledger:

- Asbestos remediation
- Lead paint remediation
- Mold remediation
- Remediation of ground aquifer contamination, including all demolition and reconstruction incidental to project

The following categories are expensed for purposes of real property asset management reporting, but may/may not be capitalized under Personal Property reporting guidelines:

- Cable tray installations with communication/networking cabling Carpeting
- Nurse-call communication systems
- All Type II equipment installations
- Water treatment equipment (for dialysis, etc)

3. Identify "Common Costs"

Common costs are those expenditures attributable to the entire project rather than costs which can be directly attributable to a specific building or structure. An example would be the A/E design of a housing project involving multiple housing styles. Costs for the A/E's design are common costs that shall be prorated to each of the buildings and supporting structures.

Common costs shall be summed. A proportional cost shall then be distributed into each asset which ties to an object class, i.e., land (object class 32101), buildings (object class 32201), and other structures (object class 32210).

Land improvements (object class 32102), is used only for environmental remediation projects, etc.

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4. **The RPCP (See Exhibit III)**

a. Introduction

The RPCP shall provide a short narrative description of the construction project, a compilation of space allocation, and a summary of total facility costs. UFMS reports showing all contracts associated with the project shall be included in the RPCP, Refer to Exhibit III for an example of an RPCP. The UFMS reports shall be based on all contracts, purchase orders, Government purchase card purchases, transfers, gifts, donations, etc., associated with this RPI action. The UFMS reports will be forwarded to the ARMO. The RPCP is signed by the APO and by the ARMO. During an audit, the RPCP will be the main document used to justify the value of an entry in the RPI.

b. Reportable Space

As-built space to be included on the RPCP shall be as defined by the A/E Design Guide. If a facility includes multiple buildings and structures, the space of each shall be identified separately and associated costs allocated to each. A spreadsheet showing the space allocation and methodology of allocating costs shall be included in the RPCP.

c. Summary of Total Facility Costs

Costs shall be summarized per the categories identified under Capitalizable New Construction, Repair, and Improvement costs in Exhibit I. An appropriate share of the common costs shall be allocated as indicated above.

The UFMS reports show the contract number, total cost, costs associated with real property to be capitalized, and costs associated with those items not to be capitalized or included with real property (i.e., expensed items and personal property and equipment).

30-2.6 TRIBAL REPORTING OF CAPITAL IMPROVEMENTS

IHS managers must protect the public interest by assuring real property is utilized to its highest and best use and to the most effective and economical extent practical. The IHS ARMO can assist the tribe or tribal organization in developing, establishing, assessing, improving, correcting, and reporting on the management and utilization of federally-owned real property in the IHS Area.

A. Background

It is essential that federally-owned real property be managed, operated and maintained by the P.L. 93-638 entity in a manner that provides for quality space and services consistent with Federal law and the overall objectives of its contract or compact with the IHS.

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The IHS is required to report and reconcile capital expenditure costs for its real property to the Congress and to auditors for the Office of the Inspector General. While real property remains federally-owned, Federal law requires that IHS track its real property asset value. This includes reconciliation between the RPI value and the Agency's financial ledgers.

P.L. 93-638 programs utilizing federally-owned buildings are subject to certain Federal reporting requirements concerning the construction cost and asset value of Federal real property under their control. See laws identified on Section 30-2.1, Introduction.

The IHS recognizes that internal tribal accounting systems are subject to the Single Agency Audit Act, but it still needs to record facilities costs for its real property. Consultation between various P.L. 93-638 entities, the IHS accounting staff, and the OIG audit representatives have resulted in these guidelines.

B. Purpose

The purpose of this section is to provide direction to P.L. 93-638 contract and compact tribes and tribal organizations on reporting capital improvements to federally-owned real property under the custody and accountability of the IHS. These guidelines identify the minimum acceptable documentation for auditing purposes.

C. Scope

These guidelines establish a standard reporting mechanism to record both capital real property and non-capital (expensed) expenditures.

The IHS process for accepting **gifts of cash** which result in capital real property improvements is in the Indian Health Service Manual, Volume V, Chapter 22, Program Integrity and Ethics.

D. Tribal Real Property Reporting

Since tribes are not required to use UFMS, interim and final RPCPs are required.

1. Tribal Interim Report

Tribal Interim Reports have the same content and structure as the Tribal Final Reports. A Tribal Interim Report is used when a major portion (e.g., building wing) or all of a project is substantially complete (beneficial occupancy, placed-in-service). In this situation, even if the Release of Claims has not been executed and/or final payment has not been made, the Tribal Project Manager should provide a Tribal Interim Report to the respective ARMO. This will allow the IHS to adjust the book value of the real property asset while the project is closing

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out. The Tribal Interim Report might not include all final documentation.

2. Tribal Final Report

The Tribal Final Report provides a short narrative description of the facility construction, a compilation of space allocation, and a summary of total facility costs. It compiles all expenditures associated with this project. During an audit, the Tribal Final Report will be the main document used to justify the value of an entry into the RPI. The Tribal Project Manager should provide a Tribal Final Report to the respective ARMO.

a. Gathering of Documents

This section identifies the documents to include in the Tribal Final Report when reporting capital improvements to the IHS. This process does not require tribes to include copies of contracts, payments, invoices, UFMS reports as is required for all other federally-managed IHS locations. If the summary page from the tribal accounts ledger contains the basic information on the project, it is sufficient for IHS to meet its asset management requirement.

- **Tribal Reports for federally-owned Facilities (See Exhibit V)**

Exhibit V provides an overview of the project, space allocation, appropriations, project milestones, and project costs including common costs and costs associated with land improvements, construction, equipment, and post-construction.

Real property items are classified into five categories: Land, Land Improvements, Buildings, Other Structures and Construction-in-Progress.

- **Attachment 1 - Project Summary Document or Project Justification Document**

Documentation of the need for a capital improvement project may consist of an approved Project Summary Document (PSD) or an approved Program Justification Document (PJD) or other documentation identifying the project need and scope.

- **Source of Funds Document**

The Tribal Reports (interim and final) must contain a tribal letter addressed to the IHS Area Office documenting that the tribe used third-party collections or other authorized funds for the project improvement. This letter must include any specific appropriations authority, gift acceptance authority, or other funds approval documents.

- **Tribal Accounts Ledger**

The summary page of the tribal accounts ledger must be included in the Tribal Reports (interim and final). It must be sufficiently detailed to identify the course and application of self-determination contract funds received by the Indian tribe or tribal organization.

The summary page of the tribal accounts ledger should include project name and/or number. It serves as the financial documentation trail required for reporting capital improvements to a Federal facility and remains as a permanent record in the project file.

The tribe's financial management system should contain accounting records that are supported by source documentation, e.g., cancelled checks, paid bills, payroll records, time and expenditures, purchase orders, and other primary records expenditures. The system should also identify obligations and un-obligated balances, assets, liabilities, outlays, expenditures and income. Note: documents mentioned in this paragraph should be maintained by the tribe but are not required to be submitted with the RPCP.

- **Drawings**

Copies of final floor plans must be submitted to substantiate added space or changes in use.

b. Certification, Review, and Audit Process

- **TPO Certification**

The TPO assigned to manage the construction project prepares and signs the Tribal Reports (interim and final) confirming the construction project was 'placed into service.'

- **Tribal Chief Financial Officer Certification**

The Chief Financial Officer of the tribe or tribal organization certifies that the extracted costs used for the Tribal Final Report were from the tribal accounts ledger. They must also certify that the organization had a successful independent audit, in accordance with the Single Agency Audit Act, during the period of the time the funded improvements were completed.

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30-2.7 SUMMARY

All RPCPs must be submitted to the applicable ARMO for review. The following describes the review process conducted by the Area and Headquarters:

A. APO

The APO is responsible for creating the project record and for the accuracy of the information in the UFMS Project Accounting Module. Areas of responsibilities include:

1. Enter data into the UFMS Project Accounting Module for all projects under their charge that meet the thresholds identified in section 30-2.5, *Capitalization*.
2. Track project information, including payments, in the UFMS Project Accounting Module.
3. Prepare the RPCP attaching the applicable UFMS project accounting reports.
4. Submit RPCP documentation to the ARMO.
5. Forward, upon receipt, the signed Release of Claims to the ARMO with an updated RPCP (if applicable), that shows any adjustments to payment data.

B. TPO

1. Prepare the Tribal Reports (interim and final) attaching the applicable documentation.
2. Submit Tribal Reports (interim and final) to the ARMO.
3. Forward, upon receipt, the signed Release of Claims to the ARMO with an updated Tribal Report (interim and final), if applicable, that shows any adjustments to payment data.

C. ARMO Review

The ARMO shall receive, review, and verify all RPCP's and Tribal Reports. Areas of the review include:

1. Review and verify RPCP's and Tribal Reports for all required documents; and
2. Compare tribal accounts ledger summary page totals to project totals on the closeout report

The ARMO prepares Real Property Vouchers requesting real property book values be adjusted and submits the packages to IHS Headquarters, Division of Facilities Operations - Agency Realty Officer. The ARMO signature indicates their certification that the reports are complete and accurate.

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D. Headquarters Realty Review

1. Review RPCP to ensure the project meets the definition of a capital improvement.
2. Enters capitalized improvements into the Real Property Inventory.
3. IHS Headquarters retains all project documentation in accordance with the Chief Financial Officers Act of 1990.

It is important that some major points be reiterated:

- The APO and the ARMO will assure the final facility costs are allocated to the appropriate RPI categories.
- All costs and totals must agree. All funds included in a contract must be accounted for in the RPCP.
- The need to accurately determine value, validate and record costs and expenditures, keep documentation, and maintain an accurate subsidiary real property ledger, is required by law.
- Any new construction, projects that add space, major renovations or other substantial capital improvements that extends the useful life of the real property must be capitalized and the acquisition costs accounted for in the RPI.
- All projects that meet or exceed established thresholds and dates identified in the section 30-2.5, "Capitalization," shall be capitalized.
- The HFDS is the IHS automated information system that encompasses the life cycle management of real property inventory, and is the only official source of Federal real property inventory information.
- The HFDS real property inventory information lists the asset's origination date, acquisition costs, and capitalization and disposition entries.

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EXHIBIT I - Real Property Typically Capitalized and Object Classes

Capitalizable Common Costs

Feasibility studies; Site Selection (geological report/topographical survey); Design (including tribal administrative fees); Construction Contract Administration Services (including tribal administrative fees); TERO (Tribal employment rights organization) fees; Owner's representative salary and support (A/E & PM costs); Permit fees; Taxes; Claims & Legal Consultant's fees; Interest; and Inspection fees.

UFMS Object Class Codes for Capitalizable New Construction, Repair, and Improvement Costs

UFMS OCC	Description	Notes
20000 25000	Contractual Services and Supplies Other Contractual Services - This section is for services purchased under contract <i>not</i> for services performed in-house.	
25400	Operation and Maintenance of Facilities	
25401	Building Repairs/Alterations (See Object Class Code 25403 for Security-Related)	Use this OCC if the work was done under contract. For new construction see 32201.
25403	Security-Related Building Alterations (Alterations for Office Security and Employee Safety)	Use this OCC if the work was done under contract.
25405	Government-Owned Contract Operated Facilities - Operation and Maintenance	Costs related to Capitalizable Operation and Maintenance items for Government-Owned, Tribally-Operated facilities
25412	Energy Efficiency Improvements - Building Alterations	Use this OCC if the work was an energy-related project done under contract.

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UFMS OCC 30000	Description Acquisition of Assets	Notes
32000	Land and Structures	
32100	Land	
32101	Land and Land Rights	Use this OCC for the initial purchase of land.
32102	Improvements to Land	Use this OCC for all improvements (not including construction) after initial purchase. This includes surveys, site assessments, environmental remediation before transfer, etc.
32200	Buildings and Other Structures	
32201	Buildings - Other Than Energy Efficiency Improvements	Use this OCC for the original construction of the building. For repairs/alterations see 25401, 25403, or 25412.
32210	Other Structures - Other Than Energy Efficiency Improvements	Use this OCC for the original construction of a major structure. For repairs/alterations see 25401, 25403, or 25412. Other Structures include, but are not limited to, retaining walls, utilities, storm sewer, sanitary sewer, and electrical distribution. Structures minor in nature should be accounted for under the parent building.
32300	Non-Structural Improvements	
32309	Other	Use this OCC if the work was performed on a structure other than a roadway or fence.
32500	Construction In Progress	
32501	Construction In Progress by a Government Agency (e.g., IHS, BIA, HUD, USAF)	Do not use this OCC. Use the appropriate OCC above (25401, 25403, 25412, etc.).
32502	Construction In Progress - All Other (e.g., P.L. 93-638 projects)	Do not use this OCC. Use the appropriate OCC from the 41800 series.

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EXHIBIT II - Real Property Items Typically Expensed
(NOT Capitalized or Included In the RPI)

Items typically expensed include, but are not limited to:

- Personal property
- Group II & III Equipment
- Tribal Administrative fees for Equipment Contracts
- Furniture
- Computer/Telecommunications equipment
- Cultural Artwork that is not an integral part of the building's design
- Moving expenses
- Moving, storage & consolidation costs for equipment or personal property
- Maintenance Contracts
- Routine repairs and maintenance
- Utility improvements off site

Also, the following costs are **NOT** included in capitalized RPI costs for the reasons indicated:

Land - Although the original cost of land is always included in the RPI, it is not a capitalized expense (which is depreciated). Do not include land as part of the value of any other assets. Land is carried as a separate real property record from structures or buildings.

When ownership of utility improvements off site transfers to others it is not capitalized as real property because IHS no longer owns the asset.

Costs related to demolition of a facility are not capitalizable but are included in the land improvement cost of the old facility site.

Costs related to Environmental Remediation, including removal of underground storage tanks, soil testing, soil removal, re-grading, etc., are not capitalizable per Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA) 120(h), but are included in the land improvement cost of the old facility site.

EXHIBIT III - Real Property Capitalization Package

The following is to be used as a guideline to display **all** the costs associated with the project, both capitalized and expensed. This is a guide and categories may need to be added or subtracted to fully address the variables within each project. An electronic version of the memorandum and the tables/worksheets are available on the DFO Website.

Memorandum

Date: [Stamp or Insert Date]

TO: Area Realty Management Officer
[Area Location] Area Indian Health Service

FROM: Project Officer, [Office]
Through: [Branch Chief, Project Officer's Office]

SUBJECT: [Project Title, Location]
Project No. [Bergin Number]
UFMS Project No.

REAL PROPERTY CAPITALIZATION PACKAGE

1. Type of Construction

[Describe occupancy, [and] building type, and facility that was constructed. Include whether it is fully sprinklered or not. Identify completion date.]

[Describe major building construction components.]

[Identify any unusual features of the project such as demolition of buildings on site]

2. Space Allocation

a. Identify Health Care Facility or Staff Quarters by Building.....m²

b. Central Plant.....m²

c. Storage Building.....m²

Total Gross Area.....m²

d. Project Site.....hectares

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3. Real Property Report

Instructions for Completing the Real Property Report

Projects with multiple facilities (buildings) must have costs allocated to each facility (building).

1. Delete all directions (in italics) on the worksheet and enter the requested data in its place.
2. When items are not relevant to a project, do not delete from worksheet, but enter zero for the value in the "amount" Column.
3. Post construction services are a common cost and include typical items such as as-built drawings and warranty inspections. An atypical item not directly tied to construction, such as security services after construction completion or service/maintenance type contracts, is not a common cost and is not capitalized; these are expensed items.
4. Liquidated damages are a common cost and are always a negative value.
5. Installation Numbers, Building Numbers, and Building Descriptions are assigned by the Lead Realty Officer and shall be included with each building itemized under Section 6.
6. Central plant is accounted for separately only when it is separate from any other building and has its own building number.
7. Each housing unit must be accounted for separately by unit, not by building. For example, a duplex is accounted for as two separate units. Section 6 shall show a total value for all quarters units. Complete the Summary of Quarters Units Worksheet to distribute costs by unit.
8. Off-site utilities improved or renovated with project funds shall be noted under Section 7 only when IHS retains ownership.
9. Telephone wiring internal to the building and installed under the construction contract is capitalized with the building. Telephone handsets and telephone systems are personal property and are not capitalized as real property.
10. All utilities attached to the building that only serve that building are capitalized with the building unless of unusual size or length; see Section 6.
11. Only on-site utilities serving more than one building are capitalized separately.

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REAL PROPERTY REPORT

Last Update: 19-Oct-04

[Facility Name, Location]
 [Installation No., Building No.]

Description	Value Unit	Unit Description	Amount	
-------------	------------	------------------	--------	--

3. Common Costs

a. Feasibility Study	\$0
b. Site Selection/Evaluation	\$0
c. Tribal Design/Construction Admin	\$0
d. Design	\$0
e. Construction Contract Administration Services (CCAS)	\$0
f. Construction Contract Inspection Services (if separate from 3.e)	\$0
g. TERO	\$0
h. Interest	\$0
i. Permit Fees	\$0
j. Taxes	\$0
k. Printing	\$0
l. Claims and Legal Consultants Fees	\$0
m. Owner's Representative	\$0
n. Liquidated Damages	\$0
Total Common Costs	\$0

4. Land

a. Land rights	\$0
b. Site acquisition	\$0
Total Land	\$0

5. Land Improvement

a. Environmental remediation	\$0
b. Demolition (off site)	\$0
c. Disposal of Old Building or Structure	\$0
Total Land Improvement	\$0

6. Building(s) – List applicable buildings:

Building (number & description)

Building (other than quarters)	\$0	
Quarters	\$0	
Building share of common cost	\$0	100% (percent of common costs)
Quarters share of common cost	\$0	100% (percent of common costs)
Total Building (number & description)	\$0	
TOTAL ALL BUILDINGS	\$0	

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REAL PROPERTY REPORT

Last Update: 19-Oct-04

[Facility Name, Location]
[Installation No., Building No.]

Description	Value Unit	Unit Description	Amount	
-------------	------------	------------------	--------	--

7. Structures – List applicable structures

a. Structure(s):

		<i>(describe type and size)</i>	\$0	
Sub-Total			\$0	
Share of common cost			\$0	100% <i>(percent of common costs)</i>
Total Structures			\$0	

b. Utilities

Enter as necessary utilities owned and maintained by IHS - off site or on site where serving more than one building.

		<i>(describe type and size)</i>	\$0	
Size:		<i>(total)</i>		
Length (approx)				
Cost			\$0	
Sub-Total			\$0	
Share of common cost			\$0	100% <i>(percent of common costs)</i>
Total Utilities			\$0	

8. Major Renovations

Separately identify each building affected

Quantity				
Size (if area is added)				
Sub-Total			\$0	

If portions of building(s) were removed to accommodate new equipment or additional space, estimate area and value of existing building that was removed:

			\$0	
			\$0	
			\$0	
Sub-Total			\$0	
Costs			\$0	
Share of common costs			\$0	100% <i>(percent of common costs)</i>
Total Major Renovations			\$0	

9. Summary of Contract/Project Costs

Total Land		\$0
Total Land Improvements		\$0
Total All Buildings		\$0
Total Other Structures		\$0
Total Major Renovations		\$0
TOTAL COSTS FOR RPI CAPITALIZATION		\$0
Total Expensed Items		\$0
Total Personal Property/Equipment		\$0
GRAND TOTAL (should match total Contract/Project cost)		\$0

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[Project Officer's Signature]
[Project Officer's typed name]

Attachments:

UFMS Project Funding Report

UFMS Capital Project Status by Area Report

The Summary of Quarters Units Worksheet (if applicable)

cc: [Contracting Officer, Contracting Office]

[Area Facilities Manager]

[IHS HQ Lead Realty Officer, DFO/OEHE]

[IHS HQ Program Manager, DFPC/OEHE]

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INSTRUCTIONS FOR COMPLETING THE SUMMARY OF QUARTERS UNITS WORKSHEET

An electronic version of the Summary of Quarters Units Worksheet is available from the Lead Realty Officer.

1. In the "Base Cost" field at the top of sheet, enter the Quarters value from the Real Property Report, Section 6, Building(s).
2. In the "Share CC" field at the top of sheet, enter the Quarters Share of Common Costs value from the Real Property Report, Section 6, Building(s).
3. In Column 1, enter the unit number as assigned by the Area Realty Management Officer.
4. In Column 2 enter the Real Property Category Code from Exhibit IV to indicate the description of each unit as follows. If the unit is Handicap Accessible, enter an H at the end of the Real Property Category Code.
5. Enter area in gross square meters for the finished space, garage, and basement in columns 3, 4, and 5 respectively.
6. Column 6, 7, and 8 are automatically calculated. If worksheet is modified to insert and/or delete rows, formulas should be verified for accuracy as follows:

Column 6, total GSM by unit, is the sum of columns 3, 4, and 5.

Column 7, share of base cost by unit, is the total Base Cost divided by Total GSM (bottom of worksheet) times column 6.

Column 8, share of base cost and common cost by unit, is the sum of column 7 and 9.

Column 9 (hidden) is the total Base Cost divided by column 7 times Share CC.

BACK CHECK

1. Column 7 Total should equal Base Cost.
2. Column 8 Total should equal Base Cost plus Share CC.

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**EXHIBIT IV - Real Property Category Codes and Descriptions
(Sample Listing)**

Real Property Category Codes and Descriptions			
Category	Code	Description	Detailed Description
Land			
	202019	Land, Vacant	Vacant, Land not being used
	202020	Land, Institutional	Institutional, For Health Facilities
	202030	Land, Residential	Residential, Employee Housing
	202070	Land, R&D	Research, Direct Basic Research
	202080	Land, other	All Other
	202090	Indian Trust	Indian Trust Lands
Buildings			
	301000	Office	General, Admin Building
	301030	Office	Hospital Support
	302100	Hospital	Hospital, General
	302900	Other Institutional	Health Center, Full Service, 40 hrs or more
	302902	Other Institutional	Health Station, School Related
	302908	Other Institutional	Outpatient Clinic, Limited Staff, VBC
	302909	Other Institutional	Outpatient Clinic, Limited Staff
	302910	Other Institutional	Outpatient Clinic, General Exam, Trailer
	302911	Other Institutional	Outpatient Clinic, Dental Clinic
	302940	Other Institutional	Laboratory, General
	302943	Other Institutional	Laboratory, Trailer or Mobile Building
	302950	Other Institutional	ASAP - Group Home
	302953	Other Institutional	YRTC - Youth Regional Treatment Center
	303000	Housing	Gen Residence Complex
	303001	Housing	Plexed Residence, Efficiency
	303002	Housing	Plexed Residence, 1BR
	303003	Housing	Plexed Residence, 2BR
	303004	Housing	Plexed Residence, 3BR
	303005	Housing	Plexed Residence, 4BR
	303010	Housing	Apartment, 1BR
	303011	Housing	Apartment, 2BR
	303012	Housing	Apartment, 3BR
	303013	Housing	Apartment, 4BR
	303030	Housing	Dormitory, 11 or More Employees
	303032	Housing	Dormitory, 1 to 10 Employees
	303040	Housing	House Trailer, 1BR
	303041	Housing	House Trailer, 2BR

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Category	Real Property Category Codes and Descriptions		
	Code	Description	Detailed Description
Buildings	303042	Housing	House Trailer, 3BR
	303043	Housing	House Trailer, 4BR
	303050	Housing	Single Family, 1BR
	303051	Housing	Single Family, 2BR
	303052	Housing	Single Family, 3BR
	303053	Housing	Single Family, 4BR
	303060	Housing	Transient Quarters, Family and Patients
	303061	Housing	Transient Quarters, Employees
	304000	Storage	General
	306030	Service	Maintenance Shop
	306031	Service	Hospital Supplies
	306040	Service	Central A/C Plant, General
	306045	Service	Heating Plant, General
	306050	Service	Electric, General
	306060	Service	Sanitary, Central Sewage Treatment Plant
	306065	Service	Potable, Central Water Treatment Plant
	306091	Service	Garage, Residential
Structures	406011	Service, Other than Bldgs	Incinerator - General
	406015	Service, Other than Bldgs	Waste Disposal
	407102	Utility Systems	A/C Outdoor Unit >50 Tons
	407111	Utility Systems	Electric, Emergency Power
	407140	Utility Systems	Heat, Natural Gas Main
	407150	Utility Systems	Non Potable, Water Distribution Main
	407155	Utility Systems	Potable, Water Distribution Main
	407161	Utility Systems	Sanitary, Main Effluent Disposal
	407165	Utility Systems	Sanitary, Sewer Collection Main
	407171	Utility Systems	Storm, Open Drainage
407172	Utility Systems	Storm, Underground Drainage	

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EXHIBIT V - TRIBAL SUBMISSION OF REAL PROPERTY REPORTS

TRIBE/TRIBAL ORGANIZATION LETTERHEAD

(SAMPLE FOR ILLUSTRATIVE PURPOSES ONLY -Site, Cost & Descriptive items are fictional)

DATE:

FROM: ABC Health Corporation
Facilities Manager

SUBJECT: XYZ Health Care Facility Name, CITY, ST
PROJECT NO and Name. [Enter project number, and Name
of Project]
INSTALLATION NO. [Enter Installation Number],
INSTALLATION NAME. [Enter Installation Name],
TRIBAL FINAL REAL PROPERTY REPORT FOR
FEDERALLY OWNED FACILITIES

TO: Name, Area Realty Management Officer
IHS Area

THROUGH: IHS Project Engineer: _____

This tribal Final Real Property Capitalization Package provides an overview of the project summary, space allocation, appropriations, project milestones, and project costs including common costs and costs associated with land improvements, construction, equipment, and post-construction.

1. Project Summary

This project requested Maintenance and Improvement (M&I) funding to renovate the XYZ Hospital's Information System Department computer room. Under this project, the computer room was expanded into adjacent space to meet the needs of computer equipment and new air conditioning equipment. A new UPS system was installed and sized to allow for anticipated growth of the department. The design of these modifications has already been accomplished through a contract with a mechanical engineering firm.

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2. Space Allocation

Type of Space	Gross Sq ft.	Gross M ²
If in no square footage was added during this project, place the following statement here: "No square footage was added during this project." If square footage was added identify current building(s) and/or provide new building description and use.		
Total Space		

3. Funding

Funding Type	Amount
M&I Amount Transferred	\$
Third Party Collections	\$
Other Sources of Funds Identify: Tribe/TO Contributions (Attach Gifting Letter and Approval, if appropriate)	\$
Sub-Total	\$
Unused, held for future project	\$
Total Funding	\$

4. Project Milestones/Timelines

Milestone	Date Achieved
Project Start	
Facility Placed in Service	
Project Completed	
(List other milestones if applicable)	

5. Common Costs (*i.e., Costs for studies, A/E Designs, Site Selection, C/A, interest, legal, permits, printing, etc.*)

Description	Capitalized Amount	Expensed Amount
A/E Fees	\$	\$
Criteria Changes (describe below)	\$	\$
Total Common Costs	\$	\$

Identify Common Costs:

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6. Land Improvements - *List costs associated with environmental, demolition, disposal, site preparation, etc.*

Description	Capitalized Amount	Expensed Amount
If no land improvements were made under this project, enter the following statement here: "No land improvements were made during this project." If land improvements were made, enter the description(s) of the improvement(s) and indicate the amount.	\$	\$
If included, describe actions below	\$	\$
	\$	\$
Total Land Improvement Cost	\$	\$

Identify Land Improvements:

7. Buildings (Building Number and Description as identified in the IHS Real Property Inventory). *Projects affecting multiple buildings and structures shall be listed separately with capitalized and expensed costs for each broken out and proportioned by percentage of common costs*

Building No.	Description	Percent of Common Costs
BLS No.	Office	100%

8. Other Major Structures (i.e. parking lots, sidewalks, roads, water systems, sanitary sewer, electrical system). *Projects affecting multiple structures shall be listed separately with capitalized and expensed costs for each broken out and proportioned by percentage of common costs*

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BLS No./Structure Describe Change	Description	Percent of Common Costs

9. Construction

Description	Capitalized Amount	Expensed Amount
Base Bid	\$	\$
Contract Modifications	\$	\$
Total Construction Cost	\$	\$

10. Equipment

(Not included in construction contract of item 9 above)

Description	Capitalized Amount	Expensed Amount
Universal Power System for CPU	\$	\$
Air Conditioning Unit and Installation	\$	\$
Total Equipment Cost	\$	\$

11. Post-Construction

(Not included in construction contract of item 9 above)

Description	Capitalized Amount	Expensed Amount
Start-Up and Commissioning - Identify below	\$	\$
Total Construction Cost	\$	\$

Identify Improvements:

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12. Summary of Contract/Project Costs (Total capitalized and expensed amount should match the Tribal General Ledger Summary).

Description	Capitalized Amount	Expensed Amount
Total Common Costs	\$	\$
Total Land Improvement Cost	\$	\$
Total Construction Cost	\$	\$
Total Equipment Cost	\$	\$
Total Post-Construction Cost	\$	\$
Grand Total Project Cost	\$	\$

 Signature

 Date Signed

 Type Project Officer's Name

 Type Project Officers Title

Attachments: (attach all items listed below)

- Transfer of Funds Correspondence (IHS/T/TO)
- Project Summary Document (w/approval page)
- Approved FEPP List Showing Project Name and Number
- List of FEDS items corrected by this project
- Gifting Letter, if appropriate from other sources of funds
- General Ledger Summary or Financial Statements (project costs should match closeout report)
- Floor plans indicating changes, additions, deletions, etc.

cc:

The IHS Area Facility Engineer
 The IHS APO
 The TPO

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CHIEF TRIBAL FINANCIAL OFFICER CERTIFICATION:

I certify that the capitalized and expensed amounts for this final report were extracted from the attached tribe's General Ledger Summary. A successful independent audit of the organization was conducted in accordance with the Single Audit Act for the period in which the project was awarded and funded improvements completed. This information will enable the Indian Health Service to carry out its responsibilities under the Chief Financial Officers Act of 1990 for reporting capital improvements made to federal facilities.

Signature _____ **Date:** _____

(_____)

Type Name of Tribe's Chief Financial Officer

Type Name of Tribe/Tribal Organization