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

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**CHAPTER 30-4      GUIDELINES FOR REPORTING DEFERRED MAINTENANCE**

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**30-4.1      PURPOSE**

Federal financial laws promulgated accounting standards on the reporting of funds and real property assets. Specifically, the Indian Health Service (IHS) must report the condition of IHS held, Government-owned Property, Plant and Equipment (PP&E). This chapter provides guidance for reporting maintenance that has been deferred on the PP&E. The deferred maintenance is reported as part of the Required Supplemental Information report associated with the general ledger.

**30-4.2      DEFINITIONS**

**Backlog of Essential Maintenance, Alteration and Repair (BEMAR).**

A database of corrective actions that are needed to maintain the real property in good operating condition, but have been deferred because of a lack of staffing or funds to implement corrective measures. The IHS reports BEMAR data as 'deferred maintenance' in the Required Supplemental Information.

**Condition Assessments.** Periodic inspections to PP&E to determine their current condition and estimated cost to correct any deficiencies. The IHS uses two types of surveys: Annual General Inspections and Facilities Condition Surveys.

**Facilities Engineering Deficiency System (FEDS).** The FEDS is a module contained within the Health Facilities Data System (HFDS) to capture assessment data.

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**30-4.3 LAWS AND STANDARDS**

The two primary laws enacted by Congress requiring Federal agencies to account for the value of Federal real property managed by the agency are the Chief Financial Officers Act of 1990 and the Federal Financial Management Act of 1994

As a result of these Acts, the Federal Accounting Standards Advisory Board (FASAB) developed the Statement of Federal Financial Accounting Standards (SFFAS) #6, Accounting for Property, Plant and Equipment. The SFFAS #6 applies to all IHS-held, Federally-owned real property assets whether managed by the IHS or others. It does not apply to Tribal or leased real property. In 1999, the FASAB issued SFFAS #14, Amendments to Deferred Maintenance Reporting that amended portions of SFFAS #6.

**30-4.4 REQUIREMENTS**

The SFFAS #6 and SFFAS #14 require reporting related to the condition and estimated cost to remedy deferred maintenance of Federally-owned real property. The IHS uses condition assessments as its methodology to comply with these requirements. Annually the Area Offices complete their assessments and enter the information into the FEDS.

The SFFAS #14 requires the following information as part of the Required Supplemental Information (RSI) in the reporting process:

- Identification of each major class of asset for which maintenance has been deferred;
- Method of measuring deferred maintenance for each major class of PP&E; and
- If the condition assessment survey method of measuring deferred maintenance is used, the following should be presented for each major class of PP&E:
  - a. Description of requirements or standards for acceptable operating condition, as determined by the agency;
  - b. Any changes in the condition requirements or standards; and
  - c. Asset condition and a range or point estimate of the dollar amount of maintenance needed to return it to its acceptable operating condition.

To meet the requirements listed above, the IHS has implemented the Facilities Condition Assessment Program detailing condition assessment requirements, establishing the identification of major classes of assets, and the methodology for capturing the data in

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the FEDS. Refer to Technical Handbook for Environmental Health and Engineering, Volume VI, Part 73, *Facilities Engineering Deficiency System (FEDS)*.

**30-4.5 PROCESS AND RESPONSIBILITIES**

A. Area Offices.

Area Offices are responsible to implement the Facilities Condition Assessment Program as detailed in Technical Handbook for Environmental Health and Engineering, Volume VI, Part 73 *Facilities Engineering Deficiency System (FEDS)*. This requires an annual review and update of the FEDS data by each September for all Federally-owned real property assets.

B. Division of Facilities Operations, Headquarters.

The Division of Facilities Operations uses the information in the FEDS to prepare the annual PP&E deferred maintenance report. The report includes:

- A report title sheet, Deferred Maintenance Report, Attachment A. If there are changes made to the IHS defined condition requirements or reporting standards, it is noted in this cover sheet.
- The annual Backlog of Essential Maintenance, Alterations and Repair report drawn from FEDS (see Attachment B for a sample report) to meet the requirement of a point estimate of the dollar amount of maintenance needed to return an asset to its acceptable operating condition. Since the FEDS includes more than BEMAR deficiencies and also includes non-Federally-owned facilities, it is filtered to report only the BEMAR items for the reporting of deferred maintenance for Federally-owned facilities.
- A copy of the Technical Handbook for Environmental Health and Engineering, Volume VI, Part 73 *Facilities Engineering Deficiency System (FEDS)* to identify each major class of asset for which maintenance has been deferred and method of measuring deferred maintenance.
- An inventory report summarizing the number of IHS Federally-owned buildings and number of installations (see Attachment C for sample).

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**ATTACHMENT A - DEFERRED MAINTENANCE REPORT**

30 Nov 20xx

Sample Heading:

**Deferred Maintenance**  
Indian Health Service Facilities

Sample of sited standards:

Prepared to meet Federal Accounting Standards Advisory Board's Statement of Federal Financial Accounting Standards (SFFAS) #6 Accounting for Property, Plant and Equipment and SFFAS #14 Amendments to Deferred Maintenance Reporting.  
for Fiscal Year 20xx Required Supplemental Information.

Sample text:

*The Indian Health Service (IHS) has a total identified deferred maintenance backlog of \$xxx,xxx,xxx for Federal real property. This amount includes \$xx,xxx,xxx in environmental compliance liabilities and \$xxx,xxx,xxx in seismic deficiencies. The IHS has seen no major increase in maintenance funding in several years.*

*The IHS has a total of xxxx buildings at xxx Installations.*

*Maintenance funds are distributed for Federal and Tribal buildings based primarily on area of space used at each location for health care programs. As new space is added to the IHS inventory, both Tribal and Federal, the proportional share of funding available to a location to maintain a building decreases. This decreasing funding along with inflation has resulted in less funding available for maintenance and maintenance activities and higher deferred maintenance levels. Additionally, as IHS Federal real property has aged maintenance needs have increased but funding has not. Overall, this has resulted in a decrease in the condition of IHS Federal real property.*

Attachments:

1. *BEMAR Table*
2. *Building and Installation Inventory*
3. *Technical Handbook Chapter*

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**ATTACHMENT B - BACKLOG OF ESSENTIAL MAINTENANCE, ALTERATIONS, AND  
 REPAIRS (BEMAR) REPORT**

Example

*Backlog of Essential Maintenance, Alterations, and Repairs (BEMAR) as of 10/3/2006*

Deficiency Description	AB	AK	AQ	BE	BI	CA	NV	NS	OK	PH	PO	TU	Total
<b>1 Public Law</b>													
Life Safety Compliance	4,398,863	5,967,639	308,111	430,806	345,049	507,412	121,719	96,973	4,293,547	804,516	137,301	297,706	17,949,460
General Safety	4,075,864	1,725,149	538,117	145,674	90,579	12,740	1,080,860	69,278	62,103	859,885	162,313	14,730	8,937,307
Environmental Compliance	2,433,815	11,374,593	1,468,024	118,876	173,835	21,600	411,215	224,698	2,106,500	980,951	48,833	18,946	18,578,363
Handicapped Compliance	4,658,822	3,948,333	229,858	1,163,812	199,600	529,374	2,064,277	86,641	1,373,700	782,680	327,036	125,686	16,466,642
Energy Conservation	3,520,570	439,672	1,106,485	158,063	423,967	82,739	2,788,721	318,587	2,828,234	1,679,429	201,835	272,191	13,849,501
Seismic Mitigation	3,313,215	10,121,030	5,279,631		79,852		21,846,318	286,449	7,399,675	23,495,207		11,959	71,727,794
Sub Total	22,310,967	33,000,382	8,963,925	2,017,231	1,300,481	1,123,865	28,313,129	1,082,838	18,063,758	28,091,868	877,118	738,959	146,709,068
<b>2 Improvements</b>													
Patient Care	2,440,664	8,816,093	1,234,898	371,351	716,992	5,105	751,800	108,679	10,336,036	1,412,040	153,289	120,052	26,525,499
Program Deficiencies	20,956,507	12,611,633	20,030,738	43,355	2,160,894	2,780	306,893	7,169,623	7,825,497	1,942,372	1,113,298	1,540	74,282,708
Sub Total	23,397,171	21,427,726	21,270,636	414,706	2,877,886	7,885	1,058,693	7,338,302	18,261,533	3,354,412	1,266,587	121,592	100,788,146
<b>3 Maintenance &amp; Repair</b>													
Architectural M&R	5,741,146	1,852,459	178,961	73,912	1,212,089	16,500	706,650	46,661	82,927	900,818	613,153	207,512	12,832,355
Structural M&R	5,036,619	10,223,623	2,463,612	1,856,924	2,413,600	1,741,989	1,558,659	676,696	5,507,289	2,068,229	616,180	1,566,188	36,143,619
Mechanical M&R	14,325,652	11,344,155	1,646,600	2,047,768	2,032,163	885,042	4,120,472	538,742	13,053,160	8,151,108	854,720	2,272,989	59,252,528
Electrical M&R	1,416,946	3,163,474	822,883	586,451	298,299	271,901	1,100,166	174,887	4,155,961	6,483,536	271,332	754,046	19,478,839
Utilities M&R	469,285	1,525,738	496,670	12,824	173,472	15,618	2,215,245	92,597	239,854	116,208	55,500	1,572,397	6,976,807
Grounds M&R	5,004,888	530,211	573,571	652,326	2,185,081	433,812	3,194,799	293,136	2,126,367	1,492,329	441,164	1,614,607	18,542,049
Painting M&R		36,440	15,043	435,603	88,480	67,811	1,392,506	93,001	50,403	374,456	138,031	873	2,006,855
Roof M&R	865,922	187,538	2,345,674	165,782	351,298	169,764	137,958	326,635	978,067	270,711	30,393	17,948	5,835,540
Sub Total	33,846,356	28,883,638	8,536,613	5,613,565	8,754,458	3,802,388	14,347,346	2,242,617	26,173,788	18,457,194	3,020,504	6,006,440	161,468,189
<b>Grand Total</b>													
Total	79,748,824	83,895,086	38,791,476	8,045,491	12,932,793	4,734,146	43,717,569	10,663,455	62,499,077	49,903,272	5,164,216	6,870,030	408,966,433

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Example

**ATTACHMENT C - INVENTORY REPORT**

sumreport  
3/6/2007

FY 2006 Year 1st Quarter Close Out  
US PUBLIC HEALTH SERVICE REAL PROPERTY  
INVENTORY  
SUMMARY REPORT  
INDIAN HEALTH SERVICE

Page 1

Use Description	Number	Gross SF	Gross SM	Rural Hectares	Rural Acres	Urban Hectares	Urban Acres	*Acquisition Costs	Cap Date From	Cap Date To
Land, Residential	1			17.2	42.5			\$0	6/20/1992	6/20/1992
Land, Institutional	52			191.8	474.0	99.7	246.3	\$4,473,699	1/1/1957	4/1/2003
Indian Trust	78			424.7	1,049.3	0.0	0.0	\$0	1/1/1951	1/1/1959
<b>Land Record</b> .....	<b>131</b>			<b>633.7</b>	<b>1,565.8</b>	<b>99.7</b>	<b>246.3</b>	<b>\$4,473,699</b>		
Office	146	472,177	43,867					\$16,042,956	1/1/1952	8/15/2006
Hospital	41	3,591,634	333,706					\$625,579,800	1/1/1933	4/8/2004
Other Institutional	191	1,618,711	150,401					\$205,918,394	1/1/1900	3/13/2006
Housing	1382	3,107,157	288,674					\$134,914,730	1/1/1900	7/15/2006
Storage	173	208,522	19,373					\$4,899,545	1/1/1900	12/4/2006
Service	188	272,125	25,281					\$24,584,536	1/1/1900	8/10/2006
All Other	33	338,662	31,462					\$8,185,926	1/1/1900	1/1/1996
<b>Building Record</b> .....	<b>2154</b>	<b>9,608,989</b>	<b>892,765</b>					<b>\$1,020,125,887</b>		
		*Acquisition Costs 1,020,125,887	*Acq Costs of Recently DSP 4,472	Previous Depreciation 391,160,688	Recent Depreciation 28,036,215	Accumulated Depreciation 419,196,903	Depreciated Value 600,933,456	Depreciated Period 10/1/2005	9/30/2006	
Storage, Other than Bldgs	4							\$43,120	1/1/1984	8/1/1996
Service, Other than Bldgs	60		438	41				\$2,063,657	1/1/1955	11/15/2002
Utility Systems	419		547	51				\$26,734,697	1/1/1930	4/28/2006
Roads and Bridges	391		105,133	9,767				\$33,948,422	1/1/1938	7/15/2006
All Other Structures	243		6,100	667				\$21,355,709	1/1/1937	11/12/2004
<b>Structure Record</b> .....	<b>1117</b>	<b>112,218</b>	<b>10,425</b>					<b>\$84,135,605</b>		
		*Acquisition Costs 84,135,605	*Acq Costs of Recently DSP 0	Previous Depreciation 50,832,327	Recent Depreciation 4,039,379	Accumulated Depreciation 54,871,707	Depreciated Value 29,463,899	Depreciated Period 10/1/2005	9/30/2006	
IHS	<b>Total</b> .....	<b>9,721,207</b>	<b>903,190</b>	<b>633.7</b>	<b>1,565.8</b>	<b>99.7</b>	<b>246.3</b>	<b>\$1,108,735,192</b>		
IHS	<b>Installation Total</b> .....	<b>240</b>								
		*Acquisition Costs 1,108,735,192	*Acq Costs of Recently DSP 4,472	Previous Depreciation 441,793,015	Recent Depreciation 32,075,594	Accumulated Depreciation 473,868,610	Depreciated Value 634,871,054	Depreciated Period 10/1/2005	9/30/2006	

*\*Definitions*

*Acquisition Costs: Acquisition costs of disposed property have been spread out.*

*Acq Costs of Recently DSP: Acquisition costs of property that has been disposed during this reporting cycle.*

*This report includes depreciation of recently disposed property to the date of disposal.*