

Information Paper  
CFO Issues – FY2004  
Land

**References:**

1. Federal Accounting Standards Advisory Board – Statement of Federal Financial Accounting Standards No. 6 – Accounting for Property, Plant and Equipment  
<http://www.fasab.gov/pdf/sffas-6.pdf>
2. DoD FMR Volume 4, Chapter 6 - Property, Plant and Equipment  
[http://www.dod.mil/comptroller/fmr/04/04\\_06.pdf](http://www.dod.mil/comptroller/fmr/04/04_06.pdf)

**Description**

In both the FY2002 and FY2003 DoDIG audits of the Corps Civil Works Financial Statements the Corps was unable to provide supporting documentation for the administrative costs recorded on the Balance Sheet for Land. Although the Corps was able to provide copies of deeds to support the acquisition costs of the land, the administrative costs, which comprises approximately 70% of the total value recorded for land was not supported. Without supporting documentation, the Corps can not receive an unqualified opinion on the Civil Works Balance Sheet.

The Corps, OSD, DoDIG and GAO are currently working on a Memorandum of Agreement to resolve the issue of supporting documentation for pre-CEFMS assets for CIP, Buildings and Structures, Land and Equipment. The agreement provides three options:

1. Districts can use the original COEMIS/CEFMS spreadsheets to support the values loaded in CEFMS during conversion. These documents require attestation by personnel from both Resource Management and Real Estate that the data used for the CEFMS conversion and is accurate to the best of their knowledge.
2. If the original COEMIS/CEFMS spreadsheet is unavailable, the District can recreate these work papers using the same information and methodology that was used to create the original spreadsheets. In each case, the District will annotate on the spreadsheet "non-original" and attest to the information and methodology used to re-create them.
3. If the District is unable to provide the original or re-create the COEMIS/CEFMS spreadsheet using the same information and methodology, then the last option is to either provide a valid supported estimate or write off the associated costs as an expense.

All post-CEFMS Land costs are required to have complete supporting documentation as prescribed in DoD FMR Volume 4, Chapter 6 Section 060106, Property Plant and Equipment.

## **Requirements for Compliance**

### **Field Action:**

Using the attached spreadsheets containing the FY03 Land (00) and Intangible Assets (IT) universes each Corps organization is required to perform the following three tasks.

1. Provide a breakout of the book costs for each property identification code in the following categories.

Land acquisition (Deed costs)

Administrative costs (title searches, surveys & other Real Estate costs)

Damages (Legal fees and settlement costs)

Reservoirs (Cost for reservoirs)

Relocations (Cost to prepare Land for intended use)

Disposals (record as a negative number)

2. Provide the amount of costs recorded during the COEMIS/CEFMS conversion and the amount of CEFMS costs recorded as of 30 September 2003. In addition, please provide a date when the COEMIS/CEFMS costs were entered into CEFMS. Record this date under each FOA name in column B.
3. If the original or re-created COEMIS/CEFMS spreadsheet with the RM or RE attestation is available, ensure the documentation is archived in a readily available file for as long as the property identification code is in service plus 6 years. If neither is available, CERM will provide additional instructions on how to obtain a valid estimate. Put a yes or no in column Y for Land 00 or AB for Intangible Assets IT if the COEMIS/CEFMS spreadsheets (original or non-original) are available to include the RM or RE attestation statements.

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22 March 2004  
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