



# United States Department of the Interior

OFFICE OF THE SECRETARY

Washington, D.C. 20240

## National Policy Memorandum

**Assistant Secretary - Indian Affairs  
Deputy Assistant Secretary – Management  
Office of the Chief Financial Officer**

**Number:** NPM-FIN-15

**Effective:** 4/28/16

**Expires:** 4/28/17

**Title: Real and Personal Property Capitalized Asset Manual Acquisitions (ABZON Transaction in FBMS)**

### 1. Purpose

The purpose of this policy is to clarify and standardize the process of recording the manual acquisition of capitalized assets in the Financial Business and Management System (FBMS). This policy applies to all capitalized assets that must be recorded using the Acquisition with Automatic Offsetting Entry (ABZON) transaction in FBMS. Additional guidance on real and personal property and capitalized assets is listed in section three (3) of this policy.

### 2. Scope

This policy applies to all programs and offices under the authority of the Assistant Secretary-Indian Affairs (AS-IA), including AS-IA offices, the Bureau of Indian Affairs (BIA), and the Bureau of Indian Education (BIE).

### 3. Policy

Indian Affairs (IA) headquarters, field, and program offices must adhere to FBMS procedures in order to comply with internal controls related to property, and to meet internal and external reporting requirements.

Specific guidance related to this policy is as follows:

- A. Federal Accounting Standards Advisory Board (FASAB) Statements of Federal Financial Accounting Standards (SFFAS):
  - SFFAS No. 1, Accounting for Selected Assets and Liabilities
  - SFFAS No. 6, Accounting for Property, Plant, and Equipment

- B. FASAB Federal Financial Accounting and Auditing Technical Release 15, Implementation Guidance for General Property, Plant, and Equipment Cost Accumulation, Assignment and Allocation
- C. Department of the Interior (DOI) Property Management Regulations, 19 Departmental Manual (DM) 400, 410–412
- D. Indian Affairs Manual (IAM), Part 23

#### 4. Roles and Responsibilities

- A. **Deputy Assistant Secretary - Indian Affairs (Management) (DAS-M)** is responsible for establishing overall Financial Management and Property policies and setting internal controls.
- B. **Directors, BIA and BIE** are responsible for ensuring IA processes and resources are in place to facilitate cooperation and responsiveness to meet property requirements.
- C. **Chief Financial Officer (CFO)** is responsible for the management, administration, and oversight of IA financial policies and procedures.
- D. **Bureau Property Officer** is responsible for developing IA property policy.
- E. **Chief, Division of Financial Reporting and Analysis (FRA)** is responsible for developing IA general ledger policy.
- F. **Regional Property Officers** are responsible for ensuring that property personnel at the Regional or Agency level adhere to IA property policies, including:
  - conducting proper research in FBMS to validate that the asset record was not previously created, including researching records on the incomplete and active inventory reports;
  - ensuring an appropriate capitalization determination is made prior to completing an ABZON transaction;
  - ensuring all transactions requiring an ABZON transaction for capitalized assets are sent to the Division of Property Management (DPM) for review and are not processed by Regional Property staff;
  - submitting a completed form, with supporting documentation, to DPM for review of all transactions requiring an ABZON transaction for capitalized assets within ten (10) business days after asset ownership is established;
  - providing additional information to DPM or Central Office Asset Accountants within five (5) business days of the request; and
  - completing the encoding process on the asset, fleet, building, structure, or land record within five (5) business days of the ABZON transaction completion date.

**G. DPM Office is responsible for:**

- fulfilling all requirements of Section 4.F of this policy when the request originates at the Central Office level;
- reviewing the submitted form and supporting documentation for clarity and sufficiency;
- requesting additional information within five (5) business days if the request is incomplete; and
- approving and routing complete forms to Central Office Asset Accountants within five (5) business days of receipt.

**H. FBMS users with the Asset Accountant role (FBMS Role: A PRA ACT) under the Division of FRA are responsible for:**

- reviewing submitted requests to ensure capitalization requirements are met;
- ensuring the cost in the request includes all costs required for proper asset recognition by utilizing appropriate estimated cost methods (e.g., net book value, fair market value, like assets);
- confirming the provided transaction type is valid based on the description of how the asset was acquired;
- requesting additional information if the request is incomplete;
- completing the ABZON or sending the form back to DPM for additional information within five (5) business days after DPM approval;
- recording any unplanned depreciation for assets received in a prior fiscal year; and
- providing the submitting Property Office with the Asset Master Record number created from the ABZON.

## **5. Process and Procedures**

The ABZON process in FBMS is used to manually record an asset acquisition that does not follow the standard procurement process through Prism or the Asset Under Construction (AUC) process. The transaction is primarily used for found assets, assets that have transferred to IA from other DOI bureaus or other Federal agencies, and assets in which IA has assumed ownership from Indian Tribes. While an ABZON is predominantly used for these situations, these examples are mentioned merely for illustrative purposes. All circumstances that would require the use of an ABZON transaction for capitalized assets, including those not mentioned above, fall under the authority of this policy.

The requirements for establishing ownership of an asset remain unchanged with the release of this policy. This includes the initial determination of all fields to be used in the ABZON, the User Product Code (UPC), asset class, ownership date, and cost to be recorded in the transaction. Property Officers remain responsible for this information and must follow existing policies and procedures.

Beginning in the Third Quarter of FY 2016, all ABZON transactions for capitalized assets will be completed by Central Office Asset Accountants. This includes personal and real property assets, and assets that are recorded at a value below the capitalization threshold for their asset

type, but meet other capitalization requirements and therefore must be recorded using a capitalized asset class in FBMS. For example: assets that transferred from another Federal agency that were capitalized prior to transfer, but have a net book value below the capitalization threshold at the time of transfer, would require an ABZON transaction. If the Property Officer has any questions related to asset capitalization, he/she must contact the Asset Accountant for clarification prior to completing a non-capitalized ABZON. In addition, Property Officers are responsible for providing the following information to complete the ABZON transaction:

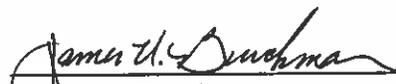
- In-Service (Ownership) date;
- ABZON transaction type, with a description of how the asset was acquired;
- Cost, with a description of the cost determination;
- Inventory number;
- Full account assignment to record the acquisition, including the Responsible Cost Center; and
- Document Number used to record the acquisition (Property Invoice Number or Miscellaneous Obligation Number)

The form titled "Capitalized ABZON Request Form" must be used to submit the above information, and can be found on the IA Online Forms website at: <http://iamabqzucmw01p.ia.doi.net:16200/inside.indianaffairs/Employee/HRForms/index.htm> and on the Central Property SharePoint Site at: [https://sp.ia.doi.net/sites/BIA/IA\\_property\\_CO/Shared\\_Docs/Forms/AllItems.aspx](https://sp.ia.doi.net/sites/BIA/IA_property_CO/Shared_Docs/Forms/AllItems.aspx).

Property Officers must review, approve, and submit the form to DPM no later than ten (10) business days after ownership of the asset is established. DPM must review, approve, and submit the form to the Central Office Asset Accountants for processing. Once an Asset Accountant completes the ABZON transaction, the responsible Property Office must encode all remaining fields on the asset record, including performing any necessary additional steps to complete fleet, building, structure, and land records.

Property Offices remain responsible for recording non-capitalized asset acquisitions through the ABZON process. DPM will monitor quarterly reports generated from FBMS to ensure only Asset Accountants are performing capitalized ABZON transactions in compliance with the requirements of this policy.

## 6. Approval



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James N. Burckman  
Acting Deputy Assistant Secretary – Indian Affairs (Management)

4/28/16

Date