



FLEET AND FAMILY READINESS PROGRAMS

COMMANDER, NAVY REGION MARIANAS  
PSC 455 BOX 152  
FPO AP 96540-1000

JAN 29 2009

REGION MARIANAS FLEET AND FAMILY READINESS STANDARD OPERATING  
PROCEDURE 002A

Subj: NONAPPROPRIATED FUND (NAF) CAPITAL IMPROVEMENT PROJECTS

Ref: (a) Accounting & Information Management System Guide  
(b) DOD 7000.14-R

Encl: (1) Project Request Form

1. Purpose. To establish Standard Operating Procedures for initiating, executing and accounting for local NAF Capital Improvements Projects, per references (a) and (b) within the Fleet and Family Readiness Program (F&FRP), Commander Navy Region Marianas.
2. Cancellation. F&FR SOP 002 is cancelled in its entirety and replaced with this SOP, version 002A.
3. Definition. A capital improvement project is defined as a facility improvement (construction, repair, or renovation) that costs more than \$2,500.00 and is greater in scope than normal or routine management maintenance.
4. Project Initiation and Execution. Project initiation begins when a project is approved (using the form in enclosure 1) by the Installation Program Director (IPD) then forwarded to the F&FRP Regional Program Director. When the accounting department receives notification that a project has been approved, a project number is assigned. The project number includes:
  - a. The next chronological 5-digit number as assigned by the Accounting & Information Management System (AIMS). This number is generated when an asset master record shell using asset class 179000 is created. AIMS generated asset numbers are prefaced by their asset class, so project numbers would appear as 179xxxxx.
  - b. For further identification the accounting department also assigns a project number, which consists of the fiscal year, the chronological number of the project for that fiscal year and the cost center for the facility where the project is taking place.

Subj: NONAPPROPRIATED FUND (NAF) CAPITAL IMPROVEMENT PROJECTS

Example of complete project number: 17900040/FY07-007-3657

5. The Descriptive Title, as approved and identified on the project request form, is entered as the description in AIMS during creation of the asset master record shell for the project.

6. The accounting department maintains a project file identified by the AIMS number and Descriptive Title. This file will contain a copy of the F&FRP Regional Program Director's approval, all purchase orders, and all payments (from any source) made for the project. All payments are expensed to account number 179000, construction in progress.

7. The IPD must insure that all supporting documentation refers to the project number assigned by the accounting department, and is forwarded to accounting in a timely manner.

8. When any one of the following is true: The project is producing revenue or is fully utilized or final payment is disbursed, the entire project amount will be moved from the AIMS Asset Project Number to the appropriate Fixed Asset Account. Depreciation expenses for facility improvements will begin the 1st of the month after the asset is moved from construction in progress as specified above and will show as a monthly expense in General and Administration (G&A). Any portion of a project considered Furniture Fixtures and Equipment (FF&E) will be expensed to the specific activity cost center. This expense will continue until the project cost is fully depreciated.

9. Action. Installation Program Directors will familiarize themselves with this SOP and indoctrinate appropriate employees to ensure compliance.



M. CHASE

Regional Program Director  
Fleet and Family Readiness

Copy to:  
NAVAL BASE GUAM