



FLEET AND FAMILY READINESS PROGRAMS

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

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F&FR STANDARD OPERATING PROCEDURE 002

Subj: NONAPPROPRIATED FUND (NAF) CAPITAL IMPROVEMENT PROJECTS

Ref: (a) AIMS Guide
(b) DoD 7000.14-R

1. Purpose. The purpose of this Standard Operating Procedure (SOP) is to describe the various procedures to be used in initiating, executing and accounting for local NAF Capital Improvements Projects, per references (a) and (b).

2. 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.

3. Project Initiation and Execution. Project initiation begins when a project is approved 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.

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

5. The Descriptive Title, as approved, 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

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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. 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 G&A. Any portion of a project considered FF&E will be expensed to the specific activity cost center. This expense will continue until the project cost is fully depreciated.

8. Action. Program and Facility Managers will familiarize themselves with this SOP, indoctrinate appropriate employees as to its content and ensure compliance.



BRUCE A. WOOTEN
Regional Program Director

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