



DEPARTMENT OF THE ARMY  
U.S. ARMY CORPS OF ENGINEERS  
441 G STREET, NW  
WASHINGTON, DC 20314-1000

CERM-F (2018-01)

1 OCT 11 1 2017

MEMORANDUM FOR Commanders/Directors, U.S. Army Corps of Engineers (USACE)

SUBJECT: Collection of Civil Works Appropriation Refunds, Second Amendment

1. This memorandum supersedes the Collection of Civil Works Appropriation Refunds Amendment memorandum (CERM-F 2016-17) dated 07 April 2016.
2. This memorandum amends multiple requirements in Enclosures 1 and 2. All Field Operating Activities (FOAs) must process all Department of Justice settlements for the Formerly Utilized Sites Remedial Action Program and contract liquidated damages from third parties as an appropriation refund against the original disbursement(s) that funded the work. FOAs must process collections for damages to USACE properties, property sales, commodity sales, recyclable material sales, and real estate fees against a customer order with advance, public. Refer to the attached enclosures for further guidance.
3. Enclosure amendments are identified in blue writing. Resource Managers must immediately ensure that local procedures are in compliance.
5. Point of contact for this action is Josh Williams, CERM-F, (202) 761-0406; email: [Joshua.R.Williams@usace.army.mil](mailto:Joshua.R.Williams@usace.army.mil).

2 Encls

A handwritten signature in black ink, appearing to read "T. Steffens", written over a horizontal line.

Thomas C. Steffens  
Director of Resource Management

Enclosure 1  
USACE Policy for Collection of Civil Works Appropriation Refunds

1. All Field Operating Activities (FOA's) must process all Civil Works Activity collections pertaining to Department of Justice (DOJ) settlements related to the Formerly Utilized Sites Remedial Action Program (FUSRAP) as a standard appropriation refund against the original disbursement(s) that funded the work. Subsequently, the expense will be reversed, the obligation de-obligated, the commitment de-committed, thus creating funds available on the FOA's database. CECW/CERM-BC will then issue a revocation Funding Authorization Document (FAD) to revoke the funds back to Headquarters S0 database. Once revoked, CECW/CERM-BC will move the funds to AMSCO 190096 (Direct) for redistribution. The authority to process these refunds for FUSRAP environmental liabilities is found in Public Law 106-60.

2. All Field Operating Activities (FOA's) must process all Civil Works Activity collections pertaining to contract liquidated damages from third parties, when retention of liquidated damages is legally permissible, as a standard appropriation refund against the original disbursement(s) that funded the work using an alternate debtor ID (i.e. from the third party instead of the contract vendor). Setting up an appropriation refund against an alternate debtor ID prevents a reduction to the original vendor's taxable income. Subsequently, the expense will be reversed, the obligation de-obligated, the commitment de-committed, thus creating funds available on the FOA's database. When retention of liquidated damages is not legally permissible, the FOA must deposit amounts received to miscellaneous receipt account 096R3220.

<u>Collect Type</u>	<u>Description</u>
APPR	Appropriation Refund

3. All FOA's must request Maintenance and Operations of Dams (M&O) funds (096X5125) from CECW to perform repair work related to all allision\* damages. CECW will provide the funds to the Civil Works project and the FOA must execute the funds on the project. If compensation is collected from a third party for allisions, FOA's must collect the damages compensation when received as a customer order with advance for the Civil Works project using Operations and Maintenance (096X3123) (O&M) as the carrier appropriation. [The customer order must cite reimbursable category class subclass \(CCS\) code 999.](#) If a project was under construction when damaged, then collect against the Civil Works Construction appropriation currently funding the project. The FOA will retain the O&M funds on the customer order with advance until the following fiscal year so that the next fiscal year allocation can be adjusted to recognize the increase in funds collected. The FOA cannot spend from the customer order with advance until that next fiscal year. In that next fiscal year the FOA will be able to use the customer order with advance for current year requirements.

Authorities for USACE to retain amounts received for [allision](#) related damages to its civil works projects are provided in 33 USC 412. 33 USC 412 includes a requirement that

vessel related damages recovered for violations of 33 USC 407, 408, 409, 414, or 415 shall be credited to the appropriation for the improvement of the harbor or waterway where the damage occurred.

<u>Collect Type</u>	<u>Description</u>
DCAL	Damages COA - Allisions

NOTE:

\* Allision damages refers to vessel related damages to Civil Works projects.

For all other USACE Civil Works damages not related to allisions, the FOA must collect the damage compensation when received as a customer order with advance using the appropriation that bore the cost of the property's purchase, repair, or replacement as the carrier appropriation (most likely O&M). If a project was under construction when damaged, then collect against the appropriation that funded the construction. [The customer order must cite reimbursable CCS code 999](#). The FOA can then perform cost transfers for work performed on the project to the customer order with advance or charge directly to it. M&O dams will not be used for these damages and the previously mentioned process regarding keeping the funds until next fiscal year does not apply. No correspondence with CECW is necessary.

33 USC 571 and 701k both include the requirement that amounts collected as a reimbursement for lost, stolen, or damaged property purchased in connection with a river and harbor or flood control work shall be credited to the appropriation that bore the cost of the property's purchase, repair, or replacement.

<u>Collect Type</u>	<u>Description</u>
DCOA	Damages-Customer Order Advance

4. All FOA's must establish at least one customer order with advance with a public debtor class for all refunds for commodity sales (33 USC 558), government furnished quarters (5 USC 5911), and utilities (5 USC 5911) citing the applicable collect type from the list below. [The customer order must cite reimbursable CCS code 999](#). FOA's must either process cost transfers for work completed prior to receiving the funds or charge against the order directly. Each customer order will include remarks stating that the funds are only to finance costs of commodity sales activity and other natural resources management activities, or to replace any other projects funds that were used to finance such costs. All collections will remain on the local database.

<u>New Collect Type</u>	<u>Description</u>
RCSC	Sale of Crops
RCSM	Sale of Timber (Separate from Land)
RCSS	Sale of Sand, Gravel, Quarry
RCGQ	Government Furnished Quarters*

RCUT	Utility Collections*
RCMT	Sale of Scrap Metal**
RCRM	Sale of Recyclable Materials***

Revolving Fund: Government quarters provided in connection with a Revolving Fund operation are recorded as refunds to the Revolving Fund.

NOTE:

\* Collections by payroll deduction for government furnished quarters at Civil Works project sites and any utilities are accounted for as described above in section 4. Cash collections for government furnished quarters at project sites and associated utilities are miscellaneous receipts and are deposited in receipt account 096R3220.

\*\* Proceeds from the sale of property not documented by the Property Book Officer (PBO) will be processed as Sale of Scrap Metal using the process described above in section 4.

\*\*\* All FOAs must process proceeds from sale of recyclable materials diverted from landfills as described above in section 4 and retained at the FOA level until expended in accordance with Public Law 115-31, Division E, Section 706, or successor authority. FOAs must refer to CECG Non-Hazardous Solid Waste Diversion and Materials Management Policy dated 19 Sep 2017 for further guidance on the appropriate uses of these funds. The customer order used must contain command indicator code (CIC) code RECYL for data management purposes.

5. All FOA's must establish at least one customer order with advance with a public debtor class citing collect type RCRE for all real estate fees (10 USC 2695). [The customer order must cite reimbursable CCS code 999.](#) Once established the FOA can either execute cost transfers for work completed prior to receiving the funds or charge against the order directly. Real estate administrative fee collections for Civil Works Activity are only to finance the cost of entering into and managing covered real estate transactions on USACE real property, or to replace other project funds used to finance such costs. All collections will remain on the local database. [For real estate transactions not covered under a specific reimbursable authority or 10 USC 2695 the FOA must fund the work using Civil Works appropriations. For any real estate transaction not listed in 10 USC 2695, but covered under another specific reimbursable authority, the FOA must collect the funds in advance and set up as a separate customer order.](#)

<u>Collect Type</u>	<u>Description</u>
RCRE	Real Estate Admin Fees

Military Collections: Real Estate transactions associated with Army real property will be collected in accordance with current guidance/policy related to Military collections.

6. This section applies to personal property and real property, other than land, that is potentially subject to capitalization depending on the value of the property. Section 7 will discuss sale of land.

For property that meets the requirements under 33 USC 558:

a. If the property is capitalized in CEFMS (greater than the applicable capitalization thresholds), the FOA must collect the funds on a customer order with advance for the related Civil Works project using the appropriation that bore the cost of the property's purchase, repair, or replacement as the carrier appropriation (most likely O&M). [The customer order must cite reimbursable CCS code 999](#). The FOA can then perform cost transfers for work performed on the project to the customer order with advance or charge directly to it. All FOA's must contact CERM-F to coordinate the collection of the sale of the property. Correspondence must include:

- AMSCO Number
- Project Name
- Property Identification Code / Barcode
- Book Cost
- Book Value
- Place in Service Date
- Remaining Useful Life
- Reason For Sale
- Justification For Retaining Sale Proceeds
- Sale price (if already sold)

CERM-F will use the information above to determine if the property sold is traceable back to the original project. Once determined the FOA can use the steps above to collect the funds into the project.

b. If the property sale is not capitalized in CEFMS (less than the applicable capitalization thresholds), the FOA must collect the funds on a customer order with advance for the related Civil Works project using the appropriation that bore the cost of the property's purchase, repair, or replacement as the carrier appropriation (most likely O&M). [The customer order must cite reimbursable CCS code 999](#). The FOA can then perform cost transfers for work performed on the project to the customer order with advance or charge directly to it. Correspondence with CERM-F is not necessary in this scenario.

<u>Collect Type</u>	<u>Description</u>
SB	Sale of Building on Non-Excess Land
SE	Sale of Equipment – Capitalized
SQ	Sale of Equipment - Non-Capitalized
SST	Sale of Structure on Non-Excess Land

If the sale of the property does not meet the requirements under 33 USC 558, all FOAs must credit the proceeds from the sale to the miscellaneous receipt account 096R3220 using the aforementioned collect type codes in section 6.

7. In accordance with 54 USC 200302 all FOAs must deposit proceeds from the disposal of surplus land to the Land and Water Conservation Fund. However, until further notice, Districts must deposit proceeds to the suspense/deposit account 096X6500 because the Land and Water Conservation Fund receipt account is not currently an active receipt account in CEFMS. The District should refer to the Federal Management Regulation (FMR) and forthcoming ER 405-1-90 for further guidance on sale of surplus land. In any other circumstance specific legislative language is required to authorize the sale of land including the appropriate use of the proceeds from the sale.

If specific legislative language authorizes the sale of a particular piece of land and authorizes USACE to retain the proceeds, the FOA must collect the funds on a customer order with advance for the related Civil Works project using the appropriation that bore the cost of the property's purchase, repair, or replacement as the carrier appropriation (most likely O&M). The customer order must cite reimbursable CCS code 999. The FOA can then perform cost transfers for work performed on the project to the customer order with advance or charge directly to it.

<u>Collect Type</u>	<u>Description</u>
SL	Sale of Land

If specific legislative language authorizes the sale of a particular piece of land but does not authorize USACE to retain the proceeds, the district must deposit proceeds from sale of land to the miscellaneous receipt account 096R3220, unless another receipt account is specifically directed, using the aforementioned collect type code in section 7.

Enclosure 2  
USACE Accounting Policy and Procedures for Civil Works Collections

1. Flood Plain Management Services (FPMS) fees: FPMS collections are recorded in 096X8862. Additional guidance on the FPMS program is in Engineer Regulation (ER) 1105-2-100, appendix G.

a. Advances are required for services provided to private persons or entities. Each FOA must create a cost share advance account for recording collections based on the fee schedule or a negotiated amount. Each FOA then must link the advance account to a cost share control record reflecting a Federal requirement of zero.

b. Each FOA must record all FPMS services provided to other Federal agencies as a customer order [citing 096X3121 as the carrier appropriation](#).

2. Voluntary contributions for Environmental and Recreation Projects and the Challenge Cost-Sharing (Partnership) Program for the Operation and Management of Natural Resources and Recreation: Statutes authorizing these programs require that contributions be recorded in 096X8862. [Each FOA must record contributions in CEFMS as a cost share control record \(CSCR\) as follows:](#)

a. [As a cost share advance account citing 096R8862](#). The cost share control record will reflect a required Federal amount of zero. This method provides the ability to utilize the management structure code of the Federal project for tracking purposes, as well as the ability to record non-cash contributions.

3. [Contributed funds accepted from non-Federal public or private entities to evaluate an alteration, permanent occupation, or use of work built by the United States as described in 33 USC 408 \(Section 408\). Authorities pertaining to Section 408 are Section 1156\(a\)\(2\) of WRDA 2016, Section 214 of WRDA 2000, and 23 USC 139j. The Section 408 program requires that contributed funds be recorded in 096X8862. Each FOA must record contributions in CEFMS as a CSCR as follows:](#)

a. [As a cost share advance account citing appropriation 096X8862 and collect type code LCSA](#)

b. [The cost share advance account will cite AMSCO 190093 and CCS 408. The cost share control record must link to a zero dollar federal funding account citing appropriation 096X3123 and CCS 408.](#)

4. [Regulatory Program reviews \(e.g., Clean Water Act Sec 404, Rivers and Harbors Act Sec 10\). Authorities pertaining to Regulatory Program reviews are section 214 of WRDA 2000 as amended, 23 USC 139j, and 49 USC 307. All FOAs must process Regulatory Program reviews as a customer order with advance using appropriation 096 \(current fiscal year\) 3126 in accordance with the 5 March 2013 memorandum for](#)

Regulatory Chiefs and Regulatory Program Managers entitled, "Programming of Funds Accepted from a Reimbursable Agreement within the Regulatory Program". Please use CCS codes 991 (WRDA), 992 (139j), and 993 (307) to track the funding received pursuant to these authorities.

**NOTE:**

There may be cases when there is one funding agreement that covers section 408 and Regulatory actions. In these instances, the two different processes described in paragraphs 3 and 4 should still be followed for the funding amount pertaining to each program. It is imperative that these funds remain separated because of the different funding and program authorities.

**5. User Fees for Non-federal Use of Disposal Facilities:**

a. The statutory language for Section 217(b) of the Water Resource Development Act of 1996, Public Law 104-303, as amended by 33 USC 2326a provides authority for USACE to spend collected funds [from a non-Federal interest](#) as O&M for the disposal facility for which the fees were collected after the credited fees are transferred to O&M at Treasury level. Section 217(b) fees are collected in receipt account 096R5493.10.

b. The statutory language in section 401(c) of the Federal Water Pollution Control Act, Public Law 92-500, as amended (33 USC 1341(c)) [pertains to Federal licensees or permittees](#). This law does not provide authority to re-spend collected fees. Thus, section 401(c) funds must go back to Treasury using the miscellaneous receipts account (096R3220).

<u>Collect Type</u>	<u>Description</u>
UDDA	Usage of Dredge Disposal Areas