



Defense Health Agency

ADMINISTRATIVE INSTRUCTION

NUMBER 7040.02

December 8, 2021

DAD-FO

SUBJECT: Construction in Progress

References: See Enclosure 1

1. PURPOSE. This Defense Health Agency-Administrative Instruction (DHA-AI), based on the authority of References (a) through (d), and in accordance with the guidance of References (e) through (n), establishes the Defense Health Agency's (DHA) procedures for managing the Military Health System's Construction in Progress (CIP). This DHA-AI will provide policies and procedures throughout DHA to establish and maintain financial accountability and effective internal controls for accurate financial reporting.

2. APPLICABILITY. This DHA-AI applies to DHA, DHA components (activities under the authority, direction, and control of DHA), and to all personnel to include: assigned or attached active duty and reserve members, federal civilians, members of the Commissioned Corps of the Public Health Service, contractors (when required by the terms of the applicable contract), and other personnel assigned temporary or permanent duties at DHA and DHA Components.

3. POLICY IMPLEMENTATION. It is DHA's instruction, in accordance with References (e) through (m), that applicable DHA divisions and personnel will:

- a. Adhere to federal, DoD and DHA guidelines.
- b. Have CIP processes in compliance with laws, regulations, and policies, as well as mitigate the risk of material misstatement in the financial statements.
- c. Comply with DoD and federal financial guidance to support DoD's financial statements.
- d. Reconcile CIP data for all assets that DHA occupies, operates, or maintains and for which DHA is the sponsoring entity.

4. RESPONSIBILITIES. See Enclosure 2.

5. PROCEDURES. See Enclosure 3.

6. PROPONENT AND WAIVERS. The proponent of this publication is Deputy Assistant Director (DAD), Financial Operations (FO). When Activities are unable to comply with this publication the activity may request a waiver that must include a justification, to include an analysis of the risk associated with not granting the waiver. The activity director or senior leader will submit the waiver request through their supervisory chain to the DAD-FO to determine if the waiver may be granted by the Director, DHA or their designee.

7. RELEASABILITY. **Cleared for public release.** This DHA-AI is available on the Internet from the Health.mil site at: <https://health.mil/Reference-Center/Policies> and is also available to authorized users from the DHA SharePoint site at: <https://info.health.mil/cos/admin/pubs/SitePages/Home.aspx>.

8. EFFECTIVE DATE. This DHA-AI:
 - a. Is effective upon signature.

 - b. Will expire 10 years from the date of signature if it has not been reissued or cancelled before this date in accordance with Reference (d).

9. FORMS. The following DD forms are available on the internet at: https://www.esd.whs.mil/Directives/forms/dd1000_1499/.
 - a. DD Form 1354, Transfer and Acceptance of DoD Real Property

 - b. DD Form 1391, Military Construction Project Data

/S/
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REFERENCES

- (a) DoD Directive 5136.01, "Assistant Secretary of Defense for Health Affairs (ASD (HA))," September 30, 2013, as amended
- (b) DoD Directive 5136.13, "Defense Health Agency (DHA)," September 30, 2013
- (c) United States Code, Title 10, Section 1073c
- (d) DHA Procedural Instruction 5025.01, "Publication System," August 24, 2018
- (e) Federal Accounting Standards Advisory Board Handbook, "Statement of Federal Financial Accounting Standard: Accounting for Property Plant and Equipment," February 4, 2009, as amended¹
- (f) DoD 7000.14-R, "Department of Defense Financial Management Regulation (DoD FMR)," Volume 4, Chapter 24, "Real Property" October 2019²
- (g) DoD 7000.14-R, "Department of Defense Financial Management Regulation (DoD FMR)," Volume 3, Chapter 17, "Accounting Requirements of Military Construction Projects," July 2021³
- (h) United States Code, Title 10, Section 2851
- (i) General Records Schedule, "General Records Schedule 1.1: Financial Management and Reporting Records" April 2020⁴
- (j) United States Government Accountability Office Financial Audit Manual, Volume 1, "GAO/CIGIE Financial Audit Manual" June 2018, as amended⁵
- (k) Federal Accounting Standards Advisory Board Technical Bulletin "Assigning Assets to Components Reporting Entities" November 1, 2017⁶
- (l) Financial Improvement and Audit Readiness Guidance, "Financial Improvement and Audit Readiness (FAIR) Guidance," April 2017
- (m) Memorandum of Agreement, "Memorandum of Agreement between the U.S. Army Corps of Engineers and the Defense Health Agency for Military Construction Audit Requirements," April 18, 2019⁷
- (n) Memorandum of Agreement, "Memorandum of Agreement between the Naval Facilities Engineering Command FM Serial 8048 and the Defense Health Agency for Military Construction Audit Requirements," December 14, 2017⁸

¹ This document can be found at: http://files.fasab.gov/pdf/files/handbook_sffas_6.pdf

² This document can be found at: https://comptroller.defense.gov/Portals/45/documents/fmr/current/04/04_24.pdf

³ This document can be found at: https://comptroller.defense.gov/Portals/45/documents/fmr/Volume_03.pdf

⁴ This document can be found at: <https://www.archives.gov/files/records-mgmt/grs/grs01-1.pdf>

⁵ This document can be found at: <https://www.gao.gov/products/GAO-18-601G>

⁶ This document can be found at: http://files.fasab.gov/pdf/files/handbook_tech_bulletin_2017_2.pdf

⁷ This document can be found by emailing the DHA NCR J-1/8 Mailbox Ark Help Desk at: dha.ncr.j-1-8.mbx.arc-helpdesk@mail.mil

⁸ This document can be found by emailing the DHA NCR J-1/8 Mailbox Ark Help Desk at: dha.ncr.j-1-8.mbx.arc-helpdesk@mail.mil

ENCLOSURE 2

RESPONSIBILITIES

1. DIRECTOR, DHA. The Director, DHA will ensure compliance with this publication.
2. ASSISTANT DIRECTOR (AD), HEALTH CARE ADMINISTRATION (HCA). The AD, HCA will provide oversight, guidance and approval of the duties and responsibilities of the DAD-FO as they relate to CIP.
3. DAD-FO. The DAD-FO will provide oversight, guidance, and approval of the duties and responsibilities of the Chief Facilities Enterprise (FE) Division as they relate to CIP.
4. CHIEF, FE DIVISION. The Chief, FE Division, will provide oversight, guidance, and approval of the duties and responsibilities of the FE Division as they relate to CIP. FE Division will:
 - a. Establish DHA standards, policy, guidance, and instructions for the management of financial reporting requirements as they relate to CIP.
 - b. Establish specific internal controls, utilizing the DHA FE, Financial Management Branch, to manage, monitor, and provide oversight in coordination with the DHA-assigned facilities to ensure compliance with the financial reporting standards as cited in Reference (f) and Reference (g).
 - c. Manage operations and maintenance (O&M) projects, utilize the Facilities Sustainment Board and Work Induction Board (WIB) processes, and evaluate all requirements packages that are identified for potential CIP reporting. For CIP-related projects included in the Enterprise Project List (EPL), notify the associated activities that CIP reporting will be required once projects are awarded by the respective Contracting Officers/Construction Agents.
 - d. Manage military construction (MILCON) projects, and complete and submit DD Form 1391, "Military Construction Project Data," for approval to initiate new project request. The Chief, FE will utilize the financial management system (FMS) and 2851 Monthly Congressional Report to track and report active projects. The Chief, FE will retain key supporting documents and file electronic copies in the data repository.
 - e. Utilize appropriate funding method to distribute funds to the construction agents. The Chief, FE will coordinate with construction agents and Defense Finance and Accounting Service (DFAS) to update the FMS with monthly capital CIP expenditures and budgetary transactions.

f. Investigate root cause of variances found during the reconciliation process and remediate the variances.

g. Respond to financial audit findings in coordination with DHA-assigned facilities.

h. Manage personnel within the WIB, who will grant approval for O&M projects and populate approved projects in the Accountable Property System of Record (APSR).

5. CHIEF, FINANCIAL REPORTING & COMPLIANCE DIVISION. The Chief, Financial Reporting & Compliance Division will oversee Property Accounting Team (PAT) CIP activities.

6. PAT. The PAT personnel will:

a. Perform reconciliation of APSR reports and general ledger account balances on a monthly/quarterly basis.

b. Coordinate with stakeholders to reconcile discrepancies.

c. Sign the completed quarterly reconciliation report evidencing review and certification.

d. Retain completed reconciliation reports for CIP.

ENCLOSURE 3

PROCEDURES

1. INTRODUCTION TO CIP. CIP is the amount of direct labor, direct material, and overhead costs incurred in the construction of general property, plant, and equipment assets. For CIP projects, the funding agency, DHA, will be accountable for financial reporting purposes.

2. PHASES OF CIP. As the sponsoring entity, DHA is required to establish lifecycle management over all CIP assets. Management validates proper and authorized use, as well as adequate care and preservation since no asset can be acquired, placed in service, transferred, placed on the DoD property book, or disposed of without the proper authorization necessary to document and record the transaction.

a. Requisition For MILCON Projects

(1) (Step 1) Facilities Division personnel complete a DD Form 1391 and submit it for approval to the Office of the Under Secretary of Defense – Comptroller, the Office of Management and Budget, and Congress initiating a new project request.

(2) (Step 2) Has the project been approved?

(a) If project is not approved, the process ends.

(b) If project is approved, {continue to step 3}.

(3) (Step 3) Facilities Division personnel, after Congress appropriates funding for project reflected in the DD Form 1391, file the enacted DD Form 1391 in the data repository; refer to reference (i) for the required retention period. Control CIP.C.01: Appendix 2⁹.

(4) (Step 4) Facilities Division personnel receive initial construction funds and report them in the FMS for the respective project. Control CIP.C.02: Appendix 2.

(5) (Step 5) Facilities Division personnel add the project to the 2851 Monthly Congressional Report (2851 Report), as mandated by Section 2851 of Reference (h). The 2851 report includes but is not limited to the following data elements: Control CIP.C.03: Appendix 2.

(a) Project Title

(b) Parent Project Number

(c) Agent Order

⁹ Control CIP.C.##⁹ is a reference to a Risk Control Matrix on Appendix 2.

- (d) Contract Number
- (e) Actual Completion Percentage
- (f) Original Contract Amount
- (g) Current Contract Obligation
- (h) Current Expenditure Amount

b. Requisition For O&M Projects

(1) (Step 1) Facilities Division personnel populate the Enterprise Requirement List that categorizes unfunded liabilities into sustainment, restoration, and modernization into the APSR for each requested project. Data elements in the Enterprise Requirement List include but are not limited to:

- (a) Installation
- (b) Facility
- (c) Subject/Title
- (d) Requirement Type
- (e) Requirement Class
- (f) Requirement Code
- (g) Criticality
- (h) Facility Condition Index (FCI) Indicator

(2) (Step 2) Facilities Division personnel develop a project summary for the requested project including but not limited to the following data elements:

- (a) Project Title
- (b) Project Number
- (c) Project Cost
- (d) Installation Location

(3) (Step 3) Facilities Division personnel submit project summary for each requested project to the WIB for approval.

(4) (Step 4) WIB sequences projects by priority level for approval and reviews all projects deferred for more than two years for continuance or cancellation.

(5) (Step 5) WIB populates the Enterprise Project List (EPL) into the APSR for approved projects.

(6) (Step 6) Facilities Division personnel generate EPL report from projects in the APSR.

(7) (Step 7) Facilities Division personnel determine if the project has been approved and funded:

(a) If the project has not been approved and funded, {process ends}.

(b) If the project has been approved and funded, {continue to step 8}.

(8) (Step 8) Facilities Division personnel receive initial construction funds and report them in the FMS for the respective project. Control CIP.C.02: Appendix 2.

(9) (Step 9) Facilities Division personnel determine whether the project should be capitalized. A project is capitalized, regardless of whether the funding is MILCON or O&M, when the project extends the useful life of the facility by 2 or more years or increases the size or capacity of the facility, and if the project exceeds the \$250,000 capitalization threshold.

(a) If project is not capital, {continue to step 10}.

(b) If project is capital, {continue to step 11}.

(10) (Step 10) Facilities division personnel follow procedures for non-capital expenditures.

(11) (Step 11) Facilities Division personnel file project summary and EPL for approved project in the data repository. Control CIP.C.01: Appendix 2.

(12) (Step 12) Facilities Division personnel create a Host Installation Coordination Document and file it in the data repository.

(13) (Step 13) Facilities Division personnel add the project to the O&M CIP Report, which includes but is but not limited to the following data elements: Control CIP.C.03: Appendix 2.

(a) Project number

(b) Project title

(c) Project length

- (d) Contract numbers
- (e) Estimated placed in service date
- (f) Completion percentage

c. CIP

(1) (Step 1) Facilities Division personnel distribute funds to the construction agents using the DFAS acceptable methods and update the FMS.

(a) For MILCON projects, Facilities Division personnel will use a Funding Authorization Document.

(b) For O&M projects, Facilities Division personnel will use a Military Interdepartmental Purchase Request.

(2) (Step 2) Facilities Division personnel file supporting documents for funds distribution in the respective project file within the data repository. Refer to Reference (i) for the required retention period. Control CIP.C.04: Appendix 2.

(3) (Step 3) Facilities Division personnel receive and review project status updates and monthly CIP expenditures via “CIP Data Call” report and/or invoices from the construction agents. The “CIP Data Call” must only include capital expenditures.

(a) For MILCON, use the “CIP Data Call”. The “CIP Data Call” includes but is not limited to: project name, project number, accumulated CIP balance, obligated balance, unobligated balance.

(b) For O&M projects, use the invoices provided by the construction agents to record the allocated CIP amounts in the FMS. The invoices include but are not limited to: project name, project number, cost, contract number, line item break (i.e., Contract Line Item Number/ Sub-Line Item Number).

(4) (Step 4) Facilities Division personnel, in coordination with construction agents and DFAS, update the FMS with monthly capital CIP expenditures and budgetary transactions. Control CIP.C.05: Appendix 2.

(5) (Step 5) The asset is placed in service when Facilities Division personnel receive an interim or final DD Form 1354, Transfer and Acceptance of DoD Real Property.

(a) If the asset has not been placed in service, {continue to step 6}.

(b) If the asset has been placed in service, {continue to Receipt and Acceptance, step 1, paragraph c of this enclosure}.

(6) (Step 6) Facilities Division personnel update the active projects in the project tracking report and retain it in the data repository for the required retention period. Repeat steps 3 through 6 until the asset is placed in service. Control CIP.C.03: Appendix 2.

(a) For MILCON projects, update the 2851 Report, {return to step 3}.

(b) For O&M projects, update the O&M CIP Report, {return to step 3}.

d. Receipt and Acceptance

(1) (Step 1) Is this project a base asset or a capital improvement?

(a) If base asset, {continue to step 2}.

(b) If capital improvement, {continue to step 10}.

(2) (Step 2) Facilities Division personnel retain interim DD Form 1354 in the data repository for the required retention period. Refer to Reference (i) for required retention period. Control CIP.C.06: Appendix 2.

(3) (Step 3) Facilities Division personnel update the project tracking report.

(a) For MILCON projects, update the 2851 Report.

(b) For O&M projects, update the O&M CIP Report.

(4) (Step 4) Facilities Division personnel, in coordination with the construction agents, DFAS, and DHA Accounting and Financial Reporting close out CIP balances and record the base asset.

(5) (Step 5) Facilities Division personnel, in coordination with construction agents and DFAS, transfer the asset to an appropriate designated host installation, which can include one of the Military Departments or the Washington Headquarters Services. Control CIP.C.07: Appendix 2.

(6) (Step 6) Was the final contract closeout performed?

(a) If the final contract closeout was not performed, {continue to step 7}.

(b) If the final contract closeout was performed, {continue to step 10}.

(7) (Step 7) Facilities Division personnel, in coordination with construction agents and DFAS, continue to record additional capital project costs in the CIP 1720 account.

(8) (Step 8) Facilities Division personnel receive and review project status and CIP data call updates from the construction agents.

(9) (Step 9) Facilities Division personnel, in coordination with construction agents and DFAS, update the FMS with monthly capital CIP expenditures and budgetary transactions, {return to step 6}. Repeat steps 6 through 9 until the final contract closeout is performed. Control CIP.C.05: Appendix 2.

(10) (Step 10) Facilities Division personnel retain the final DD Form 1354 in the data repository. Control CIP.C.06: Appendix 2.

(11) (Step 11) Facilities Division personnel, in coordination with construction agents, DFAS, and DHA Accounting and Financial Reporting, relieve additional CIP balance, and transfer asset balance to host-installation. Control CIP.C.07: Appendix 2.

(12) (Step 12) Facilities Division personnel provide the host installation a copy of the final DD Form 1354 along with all relevant supporting documentation. Refer to Reference (l) for supporting documentation required.

(13) (Step 13) Facilities Division personnel remove the project from the project tracking report. {Process ends}.

(a) For MILCON project, remove the project from the 2851 Report.

(b) For O&M project, remove the project from the O&M CIP Report.

e. Project Status Reconciliation

(1) (Step 1) PAT personnel request CIP data call.

(a) For O&M project, PAT personnel will request a CIP data call from the Facilities Division.

(b) For MILCON project, PAT personnel will request CIP data call from the construction agents.

(2) (Step 2) PAT personnel file the CIP data call in the data repository.

(3) (Step 3) PAT personnel analyze the CIP data call for abnormal project activity. Abnormal activity includes but is not limited to:

(a) Lack of project activity within the last three months

(b) Existence of project with zero value

(c) Existence of project with negative value

(4) (Step 4) Is there abnormal project activity?

- (a) If a project has abnormal activity, {continue to step 5}.
 - (b) If a project has no abnormal activity, {continue to step 9}.
- (5) (Step 5) PAT personnel coordinate with the Facilities Division and construction agents to confirm the status of the project. Control CIP.C.08: Appendix 2.
- (6) (Step 6) Is the project active?
- (a) If the project is inactive, {continue to step 7}.
 - (b) If the project is active, {continue to step 9}.
- (7) (Step 7) Is the project complete or canceled?
- (a) If the entire project or a portion of the project is canceled, {continue to step 8}.
 - (b) If the entire project or a portion of the project is complete, {return to Receipt and Acceptance, step 1, page 11}.
- (8) (Step 8) PAT personnel coordinate with the Facilities Division and construction agents to remove inactive projects from the 1720 account and project tracking report. The total value of the project is expensed if it is entirely canceled. If a portion of the project is canceled, the cost associated with this portion is expensed. CIP.C.09: Appendix 2.
- (a) For MILCON projects, remove inactive projects from the 2851 Report, {return to step 4}.
 - (b) For O&M projects, remove inactive projects from the O&M CIP Report, {return to step 4}.
- (9) (Step 9) PAT personnel compare documents in the data repository that support project approval to the recon data files. Control CIP.C.10: Appendix 2.
- (a) For MILCON projects, compare DD Form 1391 in the data repository to the reconciliation data files.
 - (b) For O&M projects, compare the EPL in data repository to the recon data files.
- (10) (Step 10) Is every active project reported in the CIP data call and on the project tracking report (2851 Report for MILCON projects or O&M CIP Report for O&M projects)?
- (a) If all the projects were not recorded, {continue to step 11}.
 - (b) If all the projects were recorded, {continue to financial reconciliation, step 1, page 15}.

(11) (Step 11) PAT personnel research and determine source of discrepancies between the projects listed on the project tracking report and the “CIP Data Call.”

(a) For MILCON projects, use 2851 Report.

(b) For O&M projects, use O&M CIP Report.

(12) (Step 12) Is it a “CIP Data Call” issue or a project tracking report issue (2851 Report for MILCON projects or O&M CIP Report for O&M projects)?

(a) If it is a project tracking report issue, {continue to step 13}.

(b) If it is a “CIP Data Call” issue, {continue to step 16}.

(13) (Step 13) PAT personnel notify Facilities Division personnel of non-reconciling project(s) and request updated report.

(14) (Step 14) Facilities Division personnel investigate root cause and remediate variance.

(15) (Step 15) Facilities Division personnel update the project tracking report and provide it to the PAT.

(a) For MILCON projects, update 2851 Report, {return to step 9}.

(b) For O&M projects, update O&M CIP Report, {return to step 9}.

(16) (Step 16) Is this an O&M project or a MILCON project?

(a) If O&M project, {return to step 14}.

(b) If MILCON project, {continue to step 17}.

(17) (Step 17) PAT personnel notify construction agents of non-reconciling project(s) and request an updated report.

(18) (Step 18) Construction agents investigate the root cause of the variance and remediate it.

(19) (Step 19) Construction agents update the report and provide it to the PAT, {return to step 9}.

f. Financial Reconciliation

(1) (Step 1) PAT personnel generate a trial balance (TB) from the Defense Departmental Reporting System (DDRS).

- (2) (Step 2) PAT personnel file the DDRS TB in the data repository.
- (3) (Step 3) PAT personnel compare the accumulated 1720 amounts for each project in the DDRS TB to the accumulated 1720 amounts for each project in the “CIP Data Call” and identify any variances. Control CIP.C.11: Appendix 2.
- (4) (Step 4) Are there any project variances between the 1720 amounts in the DDRS TB and the “CIP Data Call”?
 - (a) If the DDRS TB does reconcile with the “CIP Data Call,” {continue to step 5}.
 - (b) If the DDRS TB does not reconcile with the “CIP Data Call,” {continue to step 6}.
- (5) (Step 5) Is this the quarterly or monthly reconciliation?
 - (a) If this is a monthly reconciliation, {process ends}.
 - (b) If this is a quarterly reconciliation, {continue to step 18}.
- (6) (Step 6) PAT personnel research and determine source of variances between the projects listed on the DDRS TB and the “CIP Data Call.”
- (7) (Step 7) Is it an interface/manual-entry issue or an FMS issue?
 - (a) If it is an interface or manual-entry error, {continue to step 8}.
 - (b) If it is an FMS issue, {continue to step 11}.
- (8) (Step 8) PAT personnel notify DFAS of non-reconciling project(s) and request updated report.
- (9) (Step 9) DFAS personnel investigate the root cause of the variance and makes adjustment entries to reconcile projects.
- (10) (Step 10) DFAS personnel update and provide the DDRS TB to the PAT, {return to step 3}.
- (11) (Step 11) Is this a MILCON project or an O&M project?
 - (a) If O&M project, {continue to step 12}.
 - (b) If MILCON project, {continue to step 15}.
- (12) (Step 12) PAT personnel notify Facilities Division of non-reconciling project(s) and request updated report.

(13) (Step 13) Facilities Division personnel investigate root cause and remediate variance.

(14) (Step 14) Facilities Division personnel update the FMS and provide it to the PAT, {return to step 3}.

(15) (Step 15) PAT personnel notify construction agents of non-reconciling project(s) and request updated report.

(16) (Step 16) Construction agents investigate the root cause of the variance and remediate it.

(17) (Step 17) Construction agents update the report and provide it to the PAT, {return to step 3}.

(18) (Step 18) PAT personnel submit the CIP review reconciliation report to the Facilities Division and construction agents.

(19) (Step 19) PAT personnel schedules and conducts a quarterly meeting with the Facilities Division and the construction agents to discuss the outcome of the reconciliation.

(20) (Step 20) Facilities Division personnel review and sign the CIP review reconciliation report. Control CIP.C.12: Appendix 2.

(21) (Step 21) Construction agents review and sign the CIP review reconciliation report. Control CIP.C.12: Appendix 2.

(22) (Step 22) PAT personnel sign the CIP review reconciliation report after all departments have signed and retain a copy in the data repository. {process ends}. Control CIP.C.12: Appendix 2.

APPENDIX 1

PROCESS MAP

1. CIP PROCESS MAPPING. CIP process mapping refers to activities involved in defining the life cycle of a CIP process. It delineates roles and responsibilities in the various steps within the lifecycle process. These maps mirror the Procedures section found above (Enclosure 2) and provide a pictorial workflow.

2. CIP PROCESS MAPPING WEBSITE AVAILABILITY. CIP process map is available at: [https://info.health.mil/bus/fi/ppe/DHP_Policy_and_Procedures/\(CIP\)](https://info.health.mil/bus/fi/ppe/DHP_Policy_and_Procedures/(CIP)). If you encounter any issues with the link above, please contact the Defense Health Program Property Plant and Equipment (PP&E) team at: dha.ncr.j-1-8.mbx.arc-helpdesk@mail.mil.

APPENDIX 2

RISK AND CONTROL MATRIX

1. CIP RISK AND CONTROL MATRIX (RCM). RCM is an internal control assessment that allows reporting entities to determine the stability of their control environments. They also enable reporting entities to evaluate year-to-year changes in their control environments, identify new risks, and develop and implement corrective action plans.

2. CIP CRM WEBSITE AVAILABILITY. CIP RCM is available at: [https://info.health.mil/bus/fi/ppe/DHP_Policy_and_Procedures/\(CIP\)](https://info.health.mil/bus/fi/ppe/DHP_Policy_and_Procedures/(CIP)). If you encounter any issues with the link above, please contact the Defense Health Program PP&E team at: dha.ncr.j-1-8.mbx.arc-helpdesk@mail.mil.

GLOSSARY

PART I. ABBREVIATIONS AND ACRONYMS

APSR	Accountable Property System of Record
CIP	Construction in Progress
DDRS	Defense Departmental Reporting System
DHA	Defense Health Agency
DHA-AI	Defense Health Agency-Administrative Instruction
DFAS	Defense Finance & Accounting Service
DoD	Department of Defense
EPL	Enterprise Project List
FCI	Facility Condition Index
FMS	Financial Management System
MILCON	Military Construction
MOA	Memorandum of Agreement
O&M	Operations and Maintenance
PP&E	Property Plant and Equipment
PAT	Property Accounting Team
RCM	Risk Control Management
TB	Trial Balance
WIB	Work Induction Board

PART II. DEFINITIONS

2851 Monthly Congressional Report (2851 Report). MILCON project tracking report compiled by the Facilities Division personnel with input from the Construction Agents, per Reference (h), Supervision of Military Construction Projects.

Capitalization. Capitalization is the process of recognizing the total costs of an asset, including property, plant, and equipment, in the financial records. Costs are capitalized when they exceed \$250,000 and have a useful life of 2 or more years.

Construction agents. Construction agents (typically Naval Facilities Engineering Command and U.S. Army Corps of Engineers) are agencies that execute MILCON and O&M projects on behalf of other DoD agencies.

CIP data call. Data received from the Construction Agents reporting the accumulated value of the CIP account for each project.

DD Form 1354, Transfer and Acceptance of DoD Real Property. Is used to establish a process to transfer and accept real property accountability and costs for capital improvement projects in a timely and consistent manner throughout the DoD and between Military Services.

Enacted DD Form 1391, Military Construction Project Data. A DD Form 1391 is used by the DoD to submit requirements and justifications in support of funding requests for military construction to Congress. The DD Form 1391 becomes an Enacted DD Form 1391 after Congressional approval.

FMS. A system used to store, update, and record asset information.

Internal controls. A process or action that mitigates and manages risk, assuring achievement of the DHA's objectives in operational effectiveness and efficiency, reliable financial reporting, and compliance with U.S. laws, regulations, and policies.

Key supporting document. The critical document that proves a management assertion.

O&M CIP Report. O&M project tracking report compiled by the Facilities Division personnel with input from the construction agents.

Project tracking report. A report compiled by the Facilities Division used to track CIP project status. It includes several critical data elements, including project title, project code, amount obligated to project, and amount spent on project to date.

Reconciliation. An accounting process that uses two sets of records to prove figures are correct and in agreement.