



West Virginia Division of Highways Policy:

ACCOUNTING FOR BUILDINGS AND GROUNDS

Issued by the Commissioner of Highways

Policy No: DOH 5.12

Issue Date: 07/01/2013

Revised: 01/13/2023

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1.0 INTRODUCTION

The District Manager, Division Director, or their designee is responsible for determining the West Virginia Department of Highways (WVDOH) facilities that need alteration or repairs; but are not part of the highway system. There are two methods for accounting for these expenditures: 1) the annual district blanket maintenance authorizations which are assigned the generic (state project number) SPN N081-BLD/GR 0.00 00. and 2) more significant projects that are identified separately using this policy. No buildings or land can be constructed, purchased, or be improved without using a district blanket maintenance authorization or a buildings and grounds authorization.

The Operations Division annually creates and assigns the project authorization number for the first type of expenditures. The second type of expenditure is tracked in the HUB maintenance programming and tracking software. The distinction between the expenditures is not the funds expended, but the type of work being performed, however, a general guideline is work performed on building and grounds with a total cost of less than \$100,000 would be a type one expenditure.

2.0 SCOPE

This policy applies to WVDOH Managers and Division Directors, or their designee.

3.0 DEFINITIONS

- 3.1 **Agency:** means any authority, bureau, commission, or Division or similar cabinet subpart of the West Virginia Department of Transportation (WVDOT).
- 3.2 **Agency Head:** means the chief executive officer of an agency.
- 3.3 **Deighton or dTIMS:** means a specific platform for enterprise asset management solutions that encompasses strategic planning with maintenance operations and capital investment decision making. When it becomes fully operational it will allow the Operations Division to track time, equipment, materials and accomplishments daily and interface with wvOASIS for timely billing of maintenance projects and operations. As the system is brought on line it will replace REMIS functions and the policy will be updated to reflect those changes.
- 3.4 **District Manager:** means the administrative head of the District regardless of whether the person is an engineer or another classification.
- 3.5 **Division Director:** means the administrative head of a WVDOT Division.
- 3.6 **Employee:** means a person who lawfully occupies a position in a WVDOT agency and who is paid a wage or salary and who has not severed the employee-employer relationship.

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- 3.7 **Fiscal Management Information System or FMIS:** means the Federal Highway Administration's (FHWA) system for managing federally funded highway projects within the Federal-aid Highway Program. FMIS supports the automation and integration of FHWA and WVDOH financial management processes including budget formulation, accounting, and reporting. All projects with federal funding must be managed in the FMIS system for project approvals and payment processing.
- 3.8 **HUB:** means the West Virginia specific software that communicates with the various WVDOH project management and financial systems and bridges the systems in order to move project information into the wvOASIS and FMIS financial systems as well as FHWA's project review.
- 3.9 **REMIS:** means the Remote Entry Management Information System that was developed as an in-house system to gather detailed information in the areas of payroll, equipment, inventory, accounts payable and accounting. The data is accessible for various reports to assist in decision making. Several REMIS functions have migrated to other programs as REMIS is phased out. As functions are moved out of REMIS any necessary training will be provided.
- 3.10 **WVDOH:** means the West Virginia Division of Highways.
- 3.11 **WVDOT:** means the West Virginia Department of Transportation.
- 3.12 **wvOASIS:** means the Enterprise Resource System, the statewide computer system designed to manage the state's business functions Financial Management, Procurement, Asset Management, Personnel Administration, Payroll, Time Reporting, and Benefits Administration.

4.0 ACCOUNT AUTHORIZATION STRUCTURE FOR GENERAL OPERATIONS FUNDED BUILDINGS AND GROUND AUTHORIZATIONS

- 4.1 **Account 4056, Building Repair and Alterations (PM----B):** Expenses to this account should be for buildings, repairs, and alterations such as remodeling or upgrading an existing structure.

Examples:

- Replace or repair existing roof
- Remodel or upgrade existing structure
- Addition to an existing structure (physically attached)
- Install oil/water separator at existing building
- Paint buildings
- Install spreader hangers in existing structure
- Install canopy or awnings over walkways and doorways
- Replace heating/air-conditioning system
- Environmental and asbestos inspections of DOH buildings (not new purchases)

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- Demolition of structures previously used by DOH (not new purchases)
- Install Automotive Hoist.

- 4.2 **Account 4057, New Buildings (PM----N):** Expenses to this account should be for new building construction or the purchase of an existing building and the expenses associated with building or purchasing a structure such as appraisals or inspections of the buildings.

Examples:

- Construction of a new structure not physically attached to an existing structure.
- Purchase, Install liquid calcium tank, salt brine tank, and asphalt tanks.
- Purchase of a building from an outside party.
- Replace an existing building with new construction
- Design costs associated with construction of new structure
- Appraisal costs associated with the purchase of an existing structure

- 4.3 **Account 4066, Land Improvements (PM----P):** Expenses to this account should be for expenditures to prepare land for its intended use, such as, site excavations and improvements, removal of structures on land purchased by WVDOH, retaining walls, fencing, landscaping, installation of utilities, and paving roads and parking lots.

Examples:

- Site excavations
- Removal of others' existing structures (on property when purchased)
- Installation of fences or retaining walls
- Landscaping
- Site preparation (grading, stone) of parking lot or access road
- Paving of parking lot or access road
- Resurfacing parking lot or access road
- Place concrete impervious pad around fuel tanks
- Environmental studies not associated with purchase of new land
- Preliminary Engineering, site investigation, and/or plan development
- Installation of sewer or water lines on property
- Installation of electrical or gas service on property

- 4.4 **Account 4067, Purchase of Non-Infrastructure land (PM----L):** Expenses to this account should be for purchases of new land and the expenses associated with acquiring the land such as appraisals and environmental studies.

Examples:

- Purchase of land for non highway use
- Appraisal associated with purchase of new land for non highway use
- Environmental studies associated with purchase of new land for non highway use

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5.0 BUDGET ALLOCATIONS FOR BUILDING REPAIRS AND MINOR ALTERATIONS

The Operations Division is responsible for determining the fiscal year allocations for each District. It is the District Manager or designee's responsibility to determine the use of the funds within the District. If the repair is less than \$2,500 or the current insurance deductible, charge the expense to the annual district maintenance authorizations or the organization's overhead.

All requests for building improvements or land improvements expensed to the minor project funds, will be submitted utilizing the BF-98 to the Operations Division for approval and assignment of a new Building and Grounds (PM) authorization or approval of a supplement to an already established authorization. The review and approval of the request may be constrained by budgetary appropriations.

6.0 BUDGET ALLOCATIONS FOR MAJOR PROJECTS

All requests for purchases of buildings, building improvements, land, or land improvements not expensed to the District blanket maintenance authorization, are submitted to the Operations Division for approval and assignment of a new Buildings and Grounds (PM) authorization or approval of a supplement to the District blanket maintenance authorization. The review and approval of the request may be constrained by budgetary appropriations.

7.0 OTHER

It is the responsibility of the District Manager or designee to report any purchase, construction, or increase in value of a structure to the Operations Division and Finance Division, who will notify the Board of Risk Management, if applicable for insurance purposes.

8.0 INVENTORY

The Finance Division is responsible for receiving information and compiling a list of depreciable buildings, land, and land improvements, which includes a depreciation schedule for each building or land improvement. New buildings, building renovations, building repairs, and land improvements greater than \$100,000 are included in this listing and capitalized. A reconciliation of the depreciation schedule to the REMIS Authorization System will also be performed.

An inventory of all real property owned by the WVDOH is maintained by the District and Central Office Right of Way Divisions. This real property includes: uneconomic remnants not needed by the WVDOH (excess properties), properties used in normal WVDOH operations, and properties acquired for foreseeable uses. The Right of Way Division is responsible for creating and maintaining a computer generated real property inventory listing. A minimum of one annual inspection is made by the District personnel of each property listed to assure no unauthorized use is being made of WVDOH owned property. Any changes needed are noted on a computerized printout and returned to Central Right of Way Division for real property inventory listing updates. All new land acquisitions made will be recorded to the real property inventory listing maintained by the Right of Way Division. A yearly reconciliation of the real property inventory listing to the REMIS Authorization System is performed and documented.

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The sale of WVDOH land and buildings will be tracked utilizing the current procedures associated with the sale of property. (Found on DOT Intranet under Right of Way - Manual; Chapter 8: Section 41 "Appraisal of Excess Property"; Section 42.1 "Determination of Excess Property Under \$25,000"; and Section 42.2 "Determination of Excess Property Over \$25,000".)

9.0 CAPITALIZATION

Finance Division will capitalize all land purchases of any amount and building purchases or building construction of \$100,000 or more. In addition, they will record and capitalize building repairs and land improvements of \$100,000 per project or more. Finance Division will also identify the original building or piece of land that is subject to renovation or improvement. It is the intent of this policy that projects costing less than \$100,000, other than land purchases, do not need capitalization. Buildings will depreciate over 40 years using straight-line depreciation. Land improvements depreciate over 20 years using straight-line depreciation. This excludes salt, chemical and other types of sheds where the stored material will compromise the integrity of the building or shed in 15 years or less. The Finance Division will determine any changes to the useful life of buildings, building renovations, and land improvements.

10.0 ANNUAL PLAN

Annual plan expenses do not include major repairs, improvements, and new constructions. The use of activity 816 with routine maintenance or an overhead authorization will be restricted to janitorial services, security personnel, grounds maintenance, and minor repairs to existing facilities.

11.0 CHANGE LOG

January 13, 2023 -

- Reformatted policy.
- Updated reporting and repair amounts to current insurance levels.
- Corrected assignment of responsibilities.

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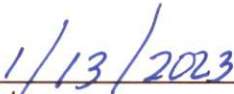
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Effective Date of Policy: 01/13/2023

Approved by:



Jimmy D. Wriston, P.E.
Secretary of
Transportation
Commissioner of
Highways



Date

*The Secretary of the West Virginia Department of Transportation or the Commissioner of Highways may, pursuant to the authority vested with the Secretary and Commissioner in W. Va. Code §5F-2-2, §17-2A-1 *et seq.*, and §17-2-1 *et seq.*, waive the requirements of this policy if the circumstances, in the Secretary or Commissioner's sole discretion, warrant such action.