

Leasehold Improvement Instruction

SPECIAL REPORTING INSTRUCTIONS FOR THIS QUARTER

1. Data reported in the DCM is on a fiscal year to date basis; that is, from year end through the end of the current quarter.
2. For users who submitted data into the DCM during 4th quarter FY 2006, your beginning balances will be pre-populated in the DCM. All first time users will show a beginning balance of zero. If you have any discrepancies with your beginning balance, please contact FMO immediately.
3. Values entered should not be rounded. All amounts should be in dollars and cents.
4. Individuals submitting data via the DCM shall maintain supporting detailed files or records for audit trail purposes.

GUIDELINES FOR REPORTING Leasehold Improvement (LH)

The cost of improvements to leased land, buildings, structures, and utilities occupied by DON should be reported. When leasehold Improvements meet or exceed the DoD capitalization criteria, such improvements shall be capitalized and amortized.

Additional Guidance

Refer to the following for additional guidance: SFFAS No. 1, "Accounting for Selected Assets and Liabilities;" SFFAS No. 3, "Accounting for Inventory and Related Property;" and SFFAS No. 6, "Accounting for Property, Plant, and Equipment". Also refer to the DoD Financial Management Regulation, Volume 6B, Chapter 10. The additional references mentioned above can be found on the FMO Headquarters website at <http://www.fmo.navy.mil/>

INSTRUCTIONS FOR COMPLETING THE NARRATIVE TAB

In the Narrative tab, provide the following:

- (1) All variances must be explained regardless its percentage change.
- (2) Detail explanation of any prior period adjustments reported in the schedules.
- (3) Other relevant information necessary for understanding Leasehold Improvement balances.