The purpose of this policy is establish the appropriate use of the budget object class (BOC) for equipment, supplies, services, leases and rentals; and to reinforce contract requirements for these contracts. The appropriate application of the BOC Code to equipment, supply items or services is very important to track expenditures. Without the BOCs, it cannot be determined where funds are being expended.

Grayford Payne
Acting Deputy Assistant Secretary – Indian Affairs (Management)

FILING INSTRUCTIONS:

Remove: None

Insert: 23 IAM 4 (New)
1.1 **Purpose.** The purpose of this policy is establish the appropriate use of the budget object class (BOC) for equipment, supplies, services, leases and rentals; and to reinforce contract requirements for these contracts. The appropriate application of the BOC Code to equipment, supply items or services is very important to track expenditures. Without the BOCs, it cannot be determined where funds are being expended.

1.2 **Scope.** This policy applies to all Indian Affairs (IA) Programs, Acquisition and Property Personnel.

1.3 **Policy.** All program personnel have the responsibility to prepare a complete requisition for the procurement of equipment, supplies or service. A complete requisition includes a complete Line of Accounting (Accounting String), which shall have the appropriate BOC identifying the equipment, supplies, or services being acquired.

All requisitions must be reviewed by the Regional Property Officer prior to the submission to the Acquisition Office. The Property Officer’s signature on the requisition serves as certification that the Property Officer has reviewed the BOC and that it is the correct BOC for the item being acquired.

Requisitions for equipment purchases must be thoroughly scrutinized to ensure proper BOC is reflected. Each equipment line item description and cost must accurately describe the equipment item purchased. This is most important when multiple components are acquired and used to configure an equipment item (i.e., Information Technology equipment).

It is the responsibility of Acquisition personnel to review the requisition and ensure that the Property Officer’s signature/certification and the BOC are on the requisition.

It is the authority and responsibility of Acquisition personnel to reject an incomplete requisition without the Property Officer signature/certification or the BOC code.

If the requisition is rejected, Acquisition personnel shall inform the Program office, in writing, why the requisition is being rejected. Once the requisition deficiency is corrected, Acquisition personnel can move forward with the procurement. It is important that Acquisition personnel inform the Program office as soon as possible. Otherwise, delays in Procurement Acquisition Lead Time (PALT) will count against the Acquisition office.

A. **Postage – Box & Meter Rental 23.3H**

When a postage meter lease/rental is acquired, it is necessary to put it on a purchase order regardless of dollar amount. Commercial clauses should be used and clauses for termination for cause and convenience should be checked. Under no circumstances should the Vendor’s contract supersede the Government’s contract.

B. **Equipment Rental – Copiers 23.3P**

Copiers require IT Cover page, Requirements Analysis, Request for Reprographic Equipment (DI-1866) and Property Signature.

Other attachments may be necessary depending on the nature of the acquisition.
C. Equipment Rental – Heavy 23.3Q

Due to the high cost related to the lease of heavy equipment, it is absolutely necessary to perform a cost benefits analysis.

1.4 Awarding Leases. It is the responsibility of Acquisition personnel to perform a cost benefit analysis to determine whether it is cost effective to lease a piece of equipment rather than own.

A capital lease determination worksheet is not required for personal property leases.

A. Capital Leases. Certain lease arrangements effectively give the lessee an ownership interest in the leased property. In these cases, the property is capitalized as an asset. A lease is considered to be a capital lease when any one of four criteria is met. These criteria are established by accounting standards and are quite complex, specifically:

a. Ownership of the property is transferred to the lessee at the end of the lease.
b. The property may be purchased at a bargain price at the end of the lease term.
c. The lease term is greater than 75% of the estimated economic useful life of the property.
d. The present value of the minimum lease payments is greater than 90% of the fair market value.

Indian Affairs Acquisition Personnel shall incorporate contract termination clauses in all personal property leases. All contracts shall be cancellable for cause or for convenience of the Government.

Contracting Officers shall not sign private sector commercial agreements. Only Government contract forms shall be used for leases. FAR 52.212-4 Commercial Items is applicable.

The Budget Object Class (BOC) and the Budget Object Class crosswalk can be obtained on the Indian Affairs Intranet by using the following path:


Budget Object Class 23.00
Payment for information technology, utilities and miscellaneous charges.

Include:

- Rental or lease of information technology equipment, include any hardware or software, or equipment or interconnected system or subsystem of equipment that is used in the automatic acquisition, storage, manipulation, management, movement, control, display, switching, interchange, transmission, or reception of data or information, such as mainframe, mid-tier, and workstation computers.

23.3F Telephone Equipment – Leases, Rentals, Repairs, and Maintenance
23.3M Equipment Rental – Information Technology
23.3N Software Rental – Information Technology (includes software license renewal)
23.3O Equipment Rental – Data Communications
23.3P Equipment Rental – Copiers
23.3Q Equipment Rental - Heavy
Exclude contractual services involving the use of equipment in the possession of others, such as computer time-sharing or data center outsourcing, which will be classified in object class 25.7, Operation and maintenance of equipment.

- Information technology services, include data, voice, and wireless communication services, such as long-distance telephone services from other Federal agencies or accounts.

  23.3A GSA Communications – Non-FTS
  23.3B GSA Communication – FTS
  23.3C Commercial Communications Charges – Local
  23.3D Commercial Communications Charges – Long Distance
  23.3E Wireless Communications
  23.3R Federal Voice Mail Communications Services

Exclude charges for maintenance of information technology and related training and technical assistance, when significant and readily identifiable in the contract or billing, which will be classified in object class 25.7, Operation and maintenance of equipment.

- Postal services and rentals, include postage (exclude parcel post and express mail services for freight); contractual mail (include express mail service for letters) or messenger service; and rental of post office boxes, postage meter machines, mailing machines, and teletype equipment.

  23.3G Postage
  23.3H Postage – Box & Meter Rental
  23.3J Express Mail

- Data communication services (voice, data, and wireless) from other Government agencies or accounts.

  23.3S Federal Data Communications Services
  23.3T Commercial Voice Mail Communications Services
  23.3U Commercial Data Communications Services

- Utility services, include heat, light, power, water, gas, electricity, and other utility services.

  23.3K Utilities

- Miscellaneous charges, for example, periodic charges under purchase rental agreements for equipment. (Payments subsequent to the acquisition of title to the equipment should be classified under object class 31.0, Equipment.)

  23.3L Equipment Rental (includes GSA passenger vehicle rental)

Exclude payments under lease-purchase contracts for construction of buildings, which will be classified in object class 32.0, Land and structures, or object class 43.0, Interest and dividends, and for lease-purchase contracts for information
1.5 Authority.

A. Department of the Interior Acquisition Regulation (DIAR), 48 CFR 1400

B. Federal Acquisition Regulation (FAR), 48 CFR 1

C. Federal Property and Administrative Services Act of 1949, as amended, 63 Stat. 377

D. 31 U.S.C. 686, Economy Act of March 4, 1915. In accordance with the provisions of the Act, as amended, the Assistant Secretary - Indian Affairs is authorized to enter into agreements or place orders with other federal departments, establishments, bureaus or offices to obtain materials, supplies, equipment, work or services of any kind.

E. Title 41--Public Contracts and Property Management

F. 41 CFR Chapter 101 Federal Property Management Regulations (FPMR),

G. Executive Order 13327, Feb. 6, 2004, Federal Real Property Asset Management

H. 41 CFR § 114, Interior Property Management Regulations (IPMR)

1.6 Limitations on Delegations. Bureau heads and assistant or associate heads thereof (known as heads of contracting activities and further defined under Department of the Interior Acquisition Regulation (DIAR) 1402.1) may redelegate their procurement authority only to bureau personnel who meet the requirements of the Department’s Contracting Officers Warrant System under DIAR 1401.6.

1.7 Roles and Responsibilities

A. Deputy Assistant Secretary – Indian Affairs (Management) is responsible for administering policy for Indian Affairs.

B. The Chief Financial Officer (CFO) serves as the head of the contracting activity and the senior Indian Affairs acquisition official.

C. Director, Office of Acquisition and Property Management (OAPM) is responsible for Acquisition and Property Management for Indian Affairs.

D. Contract Specialists are responsible for reviewing and ensuring that requisitions have been signed/certified by the Property Officer.

E. Property Officers are responsible for certifying that the appropriate BOC’s are used on requisitions.

F. Indian Affairs (IA) Acquisition and Property Supervisors are responsible to ensure that subject policy is adhered to by acquisition personnel.