

- b. Work Orders involve services of a recurring nature and are performed on an incremental basis. Work Orders are similar to "not to exceed time and materials" (T&M) contracts placed with commercial contractors.
- c. Work Orders are requests for general services for minor, routine, and/or minor emergency services work which does not exceed locally established limits. Work orders will not exceed the fiscal year in which funds expire, i.e., work must be completed by the end of the fiscal year in which the work was commissioned.

2. Project Orders.

- a. Project Orders are specified requests issued under authority of 14 U.S.C. 151 for the manufacture of materials or the performance of services.
- b. Project Orders are similar to orders or contracts placed with commercial enterprises.
- c. Project Orders do not expire at the end of the current fiscal year, and may remain open for a maximum of two years from the initial start date.
- d. A constructive start is required for project orders commencing in the current fiscal year but not completed until the following year.

(3) Accounting Administration and Control.

- (a) The authority for an ISA to perform an ISO is the Reimbursable Economy Act Order (Industrial Work Order) or the Interagency Project Order (Industrial Project Order). Economy Act orders are valid through completion of work, or until the ordering appropriation closes.
- (b) Interagency Project Orders are valid through completion of the work in the same manner as funds cited in contracts or orders placed with commercial enterprises. However, the life of Coast Guard Industrial Project Orders will NOT exceed more than two years from the date opened.
- (c) The Sponsoring Unit (customer) of an Industrial Service Order (ISO) completes and submits the ISO to the local Industrial Facility for specified work. If the ISO is incomplete, contains erroneous information, or if the ISA cannot accomplish the work, the ISO will be returned to the unit. If the ISO is complete, the Industrial Manager, General Foreman, or Planner/Estimator reviews the description of work and provides a cost estimate. The ISO is returned to the Industrial Manager for cost estimate review. When the Sponsor and the ISA agree on the ISO, the Industrial Manager approves and returns a copy of the accepted ISO to the Sponsor and a copy to the FINCEN. An ISO Document Number is assigned.

1. Industrial Service Order Document Number. This number is assigned by the ISA. The ISO Document Number is the 13 digit accounting document number used in LUFs and Oracle. The methodology for creating ISO Document Numbers is shown below.

Methodology for Creating ISO Document Numbers

ISO NUMBER - Characters	Definition
1 st and 2 nd digit of ISO Number	ISO Document Type (always use 31)
3 rd and 4 th digit of ISO Number	Last 2 digits of Fiscal Year
5 th digit of ISO Number	P = Project Order, W = Work Order
6 th digit of ISO Number	Funding Source 0 = EC&R 1 = AFC 30 Aids to Navigation 2 = AFC 30 Electronics 3 = AFC 30 Naval 4 = AFC 30 Civil 5 = AFC 42 6 = AFC 43 7 = AFC 45 8 = AFC 80 and AFC 00 (AC&I) 9 = Local ISA Overhead
7 th thru 9 th digit of ISO Number	Local Sequential serial number (001-999)
10 th digit of ISO Number	Last digit of the fiscal year
11 th digit of ISO Number	Designates Industrial; (always use 9)
12 th and 13 th digit of ISO Number	Location Designator 21 = ISC Boston, MA 22 = ISD South Portland, ME 23 = ISD South Weymouth, MA 24 = ISD New Haven, CT 25 = ISC St. Louis, MO 27 = ISC Portsmouth, VA 28 = ISC Miami, FL 32 = ISC New Orleans, LA 33 = ISD Fort Macon, NC 34 = ISD Cape May, NJ 35 = ISD Detroit, MI 38 = ISC Alameda, CA 39 = ISC San Pedro, CA 41 = ISC Honolulu, HI 42 = ISC Ketchikan, AK

- (d) The Sponsor is required to enter the ISO Document Number into LUFs and transmit the obligation to the Finance Center.
- (e) The Industrial facility establishes the approved ISO in Oracle Project Accounting using the Sponsor's line of accounting. The ISO may be valid for up to a 2 year period for Project Orders, or 1 year for Work Orders, allowing the funds obligated by the Sponsor to span fiscal years in order for the Industrial facility to complete the project.

- (f) An estimate of the cost of the work (to include direct material and travel only) will be stated on the CG-3103. Variances between the estimated and actual cost often occur. ISA's must consult with the Sponsor/funding unit and get an Amendment or change order to the original service order if the actual amount of non AC&I funded work will exceed the estimated amount by 5%. If an amendment is made for the amount over 5%, a memorandum can be sent to the FINCEN from the Sponsor authorizing the additional expenses. The original order must be reopened and the new amount billed to the customer.

Special considerations: AC&I funded work orders. An amendment must be made for all changes to the original service order for AC&I funded work. A burden rate of 2.5% must be included in the estimate for work to account for variances. AC&I adjustments must be approved in writing by the sponsor prior to the commencement of services. Without such documentation, all work must be suspended.

- (g) Each ISA may maintain a log to control ISO numbers. The purpose of this log (Industrial Service Order Log) is to record the receipt of incoming ISOs. The log should contain the name of the Sponsor of the ISO, date received, and ISO Number.
- (h) Labor Charges. All labor performed against a Project/Work Order is recorded in Oracle, but only "billable" labor is charged to the Sponsor. Billable labor includes (1) any Wage Grade or General Service Overtime for OE funded ISOs, and (2) **all** labor on Supply Fund or AC&I funded projects. On work done for Other Government Agencies (OGA), **all** labor is charged; notify MLC and contact the FINCEN for a Reimbursable Agreement Number before establishing the ISO.
- (i) On a monthly basis, the FINCEN will charge the Sponsor's line of accounting (ie. bill the Sponsor) for all expenditures accrued in Oracle for the prior period. The Sponsor will see on their PES report a lump sum expenditure against the obligation established for the ISO document number . This will represent a lump sum total of all billable charges (ie. purchases, services, non-funded labor) the Industrial Facility made during the previous month towards completion of the particular ISO. The FINCEN will also reimburse the Industrial (Yard) Fund for these "billed" amounts.
- (j) Upon completion of all activity on a Project/Work Order, the ISA will change the Project status to "Complete". After all receipts have been entered by the ISA and all charges posted to the Project, the FINCEN will change the Project status to "Closed", which generates a final billing to the Sponsor.
- (k) Upon closure of the Project/Work Order, the Sponsor will see a final expenditure on their PES report and a de-obligation of any remaining funds.
- (4) Industrial Accounting Lines. Each ISA will use only two (02) accounting lines for all Industrial work. The accounting lines are structured similarly to the DAFIS line, except for an additional segment for the General Ledger account. The following accounting lines are assigned to the Industrial Support Activities:

Industrial Accounting Lines

XD6 Accounts

	Agency	Region	Approp	LIM	AFC	Level Ind.	PE	Cost Center
Alameda	2	6	XD6	133	83	0	26XDAL	47500
Boston	2	3	XD6	132	83	0	23XDBN	47000
Detroit	2	C	XD6	109	83	0	2CXDDT	31360
Honolulu	2	6	XD6	133	83	0	26XDHL	47810
Ketchikan	2	6	XD6	133	83	0	26XDKT	47700
Miami	2	3	XD6	132	83	0	23XDMA	46990
New Orleans	2	3	XD6	132	83	0	23XDNR	47710
Portsmouth	2	3	XD6	132	83	0	23XDPM	47100
San Pedro	2	6	XD6	133	83	0	26XDPD	47720
St. Louis	2	3	XD6	132	83	0	23XDLS	46704

Object Classes: 2696, 2654

XD7 Accounts

	Agency	Region	Approp	LIM	AFC	Level Ind.	PE	Cost Center
Alameda	2	6	XD7	133	38	0	26XDWA	47500
Boston	2	3	XD7	132	38	0	23XDJC	47000
Detroit	2	C	XD7	109	38	0	2CXD55	31360
Honolulu	2	6	XD7	133	38	0	26XDWH	47810
Ketchikan	2	6	XD7	133	38	0	26XDWN	47700
Miami	2	3	XD7	132	38	0	23XDHB	46990
New Orleans	2	3	XD7	132	38	0	23XDJM	47710
Portsmouth	2	3	XD7	132	38	0	23XDJL	47100
San Pedro	2	6	XD7	133	38	0	26XDSP	47720
St. Louis	2	3	XD7	132	38	0	23XDL3	46704

Object Classes: 2696, 2596, 2673, 2676, 2678, 2540,
2536, 2541

- (5) **Inventory Capital Authorization (XD6).** All Industrial Inventory accounts will be within the XD6 appropriation code within the Industrial Fund appropriation. Industrial Inventories will be initially established through donation of already expensed items. These inventory items will be initially valued at most recent cost. As items are later purchased for carrying in Inventory, each item will now be valued at weighted average cost as calculated by the Oracle Inventory system. As the Inventory is replenished through purchasing activity, the Inventory may temporarily exceed authorization levels by up to 10% of the overall ceiling.

- (a) The Industrial Program is authorized, under the Yard Fund, an initial Inventory Capital Authorization level of \$950,000.

(b) Each Industrial Support Activity (ISA) is considered an individual "Inventory Organization" within the Industrial Program, and are assigned their own unit Capital Authorization level, with the total for all Inventory Organizations not to exceed the Program level of \$950,000. The Capital Authorization approved for each ISA (or Inventory Organization) is as follows:

1. ISC Boston - \$250,000
2. ISC Portsmouth - \$250,000
3. ISC Ketchikan – (to be assigned)
4. ISC Miami - (to be assigned)
5. ISC New Orleans - (to be assigned)
6. ISC Honolulu - \$50,000
7. ISC Alameda - \$50,000
8. ISC San Pedro - (to be assigned)
9. ISC St. Louis - (to be assigned)
10. ISD Detroit - (to be assigned)

(c) Each Industrial Support Activity (ISA) with an established Inventory is required to conduct a program of periodic Cycle Counting of individual Inventory items throughout the year, to ensure the accuracy of Inventory quantities and values. ISA's are referred to the Coast Guard Industrial (G-SLP) policy directive for specific guidance on implementing and executing Inventory Cycle Counting.

(6) **Other Capital Authorization (XD7).** All charges/expenditures made directly to a Project/Work Order will initially accrue against the XD7 appropriation within the Industrial Fund. These charges consist of purchases of materials and services as well as billable labor, used directly on specific Project/Work Orders. All charges against the XD7 appropriation must be included in the Industrial Fund capital authorization levels. As these charges are periodically "billed out" to the Project Sponsor, the FINCEN will reimburse the Industrial Fund for these amounts. The sum of these charges are not material as long as the billing to the Sponsor and corresponding reimbursement of the Industrial Fund occurs each month.

b. Industrial Fund Management – **Project Sponsors/Customers**

(1) General.

(a) The Industrial Support Activities (ISA's) act as in-house contractors, performing work as directed, for the benefit of Coast Guard Units. All work is initiated by a Project/Work Order.

(b) Sponsors request ISA service by issuing a funded Industrial Service Order. The order will include the Sponsor's accounting data. The Sponsor, with certain exceptions, does not have to fund labor or overhead. The ISA's are fully funded for these costs at this time. However, the Sponsor is responsible for funding all materials, travel, sponsor authorized overtime, and contracted services.

(c) It is incumbent upon ISA's to review their Project/Work Order funds balance using Oracle Project Status Inquiry, before the end of the fiscal year to ensure that any current fiscal year excess funds on a particular Order are returned to the Sponsor in sufficient time to allow the Sponsor to obligate these funds for other purposes.

(2) Procedures.

(a) Industrial Service Orders (ISO) are to be prepared by the Sponsor and submitted to the ISA. The ISO must include the Sponsor's accounting data. Upon receipt and approval of the ISO, the ISA will assign an ISO Document number and forward copies as follows:

1. One copy to the FINCEN as supporting documentation for funding the Project/Work Order.
2. One copy to the Sponsor (requesting unit) for obligation in LUFs.

(b) At the conclusion of the job, the ISA will send a copy of the completed Project/Work Order to the Sponsor, and another copy to the FINCEN. The FINCEN will charge the Sponsor's line of accounting for all outstanding expenditures on each Project/Work Order.

(3) Control Over Work Order Estimates. An estimate of the cost of the work will be stated on the ISO. Variances between the estimated and the actual cost will often occur. The Project/Work Order cost should not exceed the beginning estimate by more than 5%. If additional work still remains, the ISA must initiate a change order (or amendment) to the ISO or inform the Sponsor that all funds have been expended.

(4) Project/Work Order Numbering.

(a) Assignment of Project/Work Order numbers shall be done by the ISA only. The PO/WO Number for Industrials is the 15 digit number used in both Oracle and LUFs. The methodology for creating PO/WO Numbers is shown below: