

**CHAPTER 7. HERITAGE ASSETS**

**TABLE OF CONTENTS**

7.1 OVERVIEW.....7-1

7.2 AUTHORITIES AND REFERENCES.....7-1

7.3 ROLES AND RESPONSIBILITIES. ....7-1

7.4 DEFINITIONS. ....7-1

7.5 IDENTIFICATION.....7-2

7.6 CAPITALIZATION CRITERIA. ....7-2

7.7 VALUATION.....7-2

7.8 RECOGNITION.....7-3

7.9 REPORTING.....7-3

**CHAPTER 7. HERITAGE ASSETS****7.1 OVERVIEW.**

- 7.1.1 Purpose. This chapter establishes the accounting policies for Heritage Assets.
- 7.1.2 Applicability. This chapter applies to all NASA owned NASA held and, NASA owned Contractor-held heritage assets as well as heritage assets acquired or furnished under NASA grants and cooperative agreements with educational institutions and non-profit organizations.

**7.2 AUTHORITIES AND REFERENCES.**

- 7.2.1 Statement of Federal Financial Accounting Standards (SFFAS) No. 6, Accounting for Property, Plant and Equipment (as amended by SFFAS Numbers 14, 16, and 23)
- 7.2.2 Statement of Federal Financial Accounting Standards (SFFAS) No. 8, Supplementary Stewardship Reporting (as amended by SFFAS Numbers 16 and 23)
- 7.2.3 Statement of Federal Financial Accounting Standards (SFFAS) No. 29, Heritage Assets and Stewardship Land

**7.3 ROLES AND RESPONSIBILITIES.**

- 7.3.1 The Center Chief Financial Officer (CFO)/Deputy Chief Financial Officers (Finance) (DCFO)(F). The Center CFOs/Center DCFOs must ensure that adequate financial controls are in place and financial records and reports accurately reflect the status of heritage assets under the cognizance of the Center in accordance with the policies prescribed in this chapter. Their responsibilities also include maintaining close liaison with property management and other personnel concerned with heritage assets to provide assurance that values and units reported are accurate.
- 7.3.2 Agency Office of the CFO (OCFO), Property Branch. The Agency OCFO Property Branch must coordinate with the NASA Centers to ensure adequate documentation and document retention related to identified heritage assets. This documentation is essential for accurate preparation of the required annual supplementary steward information.

**7.4 DEFINITIONS.**

- 7.4.1 Heritage Assets. Heritage assets are property, plant, and equipment (PP&E) that are unique for one or more of the following reasons:
- A. Historical or Natural Significance;
  - B. Cultural, Educational or artistic (i.e. aesthetic) importance;

C. Significant architectural characteristics.

- 7.4.2 Multi-use Heritage Assets. Heritage assets used to serve both heritage and government operations functions are considered multi-use heritage assets if the predominant use is in general government operations.

7.5 IDENTIFICATION.

- 7.5.1 When capitalized assets are identified as heritage assets by a NASA Center, their values shall be removed from the asset accounts and a copy of the Journal Voucher for the transaction shall be forwarded to NASA Headquarters, OCFO, Property Branch for retention and documentation for the preparation of the required annual supplementary reporting. Should any Center become aware of the existence of a heritage asset, such existence should be notified to the Agency OCFO, Property Branch.
- 7.5.2 Contractors are required to provide information on heritage assets in their possession in their annual NASA Form (NF) 1018, *NASA Property in the Custody of Contractors* submissions. Those contractors required to report monthly in Contractor Held Asset Tracking System (CHATS) should also identify the heritage assets in their possession.

7.6 CAPITALIZATION CRITERIA.

- 7.6.1 With regard to multi-use heritage assets, the renovation, improvement, or reconstruction costs to facilitate government operations (for example, installation of communication wiring or redesign of office space) would be capitalized and depreciated over its expected useful life, if it meets the capitalization criteria. The costs of acquiring, constructing, improving, reconstructing, or renovating heritage assets shall be considered an expense in the period incurred when determining the net cost of operations.

7.7 VALUATION.

- 7.7.1 Heritage assets shall be quantified in terms of physical units (for example, number of items in collections or the number of national parks). No asset amount shall be shown on the balance sheet of the Federal financial statements for heritage assets. The costs of acquiring, constructing, improving, reconstructing, or renovating heritage assets shall be considered an expense in the period incurred when determining the net cost of operations. The cost shall include all costs incurred to bring the heritage asset to its current condition and location.
- 7.7.2 For multi-use heritage assets, the cost of renovating, improving, or reconstructing operating components of heritage assets used in government operations shall be included in general PP&E. The renovation, improvement, or reconstruction costs to facilitate government operations (for example, installation of communication wiring or redesign of office space) would be capitalized and depreciated over its expected useful life. The cost should not be depreciated over an unrealistically long life.

7.7.3 For multi-use heritage assets the costs of renovating or reconstructing the heritage asset that cannot be associated directly with operations shall be considered heritage asset costs and included as expense in calculating net costs.

7.8 RECOGNITION.

7.8.1 Should a heritage asset be acquired or constructed, the cost shall be recognized by NASA as an expense (Cost of Heritage Assets) in the period incurred. The Real Property Accountable Officer and/or property Accountant shall be notified of the acquisition of any real property and/or personal property heritage asset to ensure that necessary data is recorded in the NASA Real Property and Personal Property Inventory.

7.9 REPORTING.

7.9.1 Heritage assets shall be reported as required supplementary stewardship information accompanying the financial statements of the Federal government and the component units of the Federal government responsible for such assets. SFAS No. 29 requires disclosure related to costs incurred to acquire, improve, reconstruct or renovate heritage assets.