Appendix N

Understanding the CBS CWIP Report (CA500D)

Importance of Accuracy of Amounts in CBS CWIP Report (CA500D)

The CBS CWIP Report (CA500D) functions as NOAA's official subsidiary ledger for CWIP costs. When the report goes uncorrected, it creates a control weakness over the completeness and reliability of the CWIP costs that are reported on NOAA's financial statements.

CBS CWIP Report (CA500D) – Basic Information

As part of the cost reports section in the Data Warehouse (DW), there is a CWIP report, the CBS CWIP Report (CA500D), which is based on the NOAA DW GL Account Summary table. The CBS CWIP Report (CA500D) provides cumulative information on undelivered orders, unpaid costs, paid costs, total costs, total obligations, capitalized costs, and uncapitalized costs for all CWIP and Internal Use Software in Development (IUSD) project and task codes.

The information on the report is displayed by Fund, Project/Task Code, Fund Code Fiscal Year, Organization Code, and Object Class.

The report is driven by project "type" that is established for project codes using the CBS screen CM004. Project "types" on the report include CWIP and CWIPC for construction of equipment and buildings and should tie to SGL Account 1720, and IUSD and IUSDC for development of Internal Use Software should tie to SGL Account 1832.

The report parameter screen pulls the data based on project "type" (CWIP% or IUSD%) for ease in comparison to SGL accounts.

The report can be kicked off at several different levels, depending on users' needs, including project code and/or project/task code.

Running a CBS CWIP Report (CA500D)

Once logged into Data Warehouse, drill down through the following labels to access the CBS CWIP Report (CA500D):
+ CBS Applications
---> Data Warehouse
---> Reports
---> Cost Accumulation Reports
---> CA500D Report.

CBS CWIP Report (CA500D) – Columns and Formulas

The report has multiple columns. Some of the columns are driven by SGL accounts while other columns are calculated by formulas within the report, using the columns that are driven from SGL accounts. The columns and formulas (if applicable) are:

(Note: An example of the CBS CWIP Report (CA500D) can be found in Appendix O.1.)

Column	A	B	C	D	E	F	G
Title	**Undelivered Orders**	**Unpaid Costs**	**Paid Costs**	**Costs (Total)**	**Total Obligations**	**Capitalized Costs**	**Uncapitalized Costs**
USSGL accounts/ Formula	48xx accounts	4901, 4971, and 4981 accounts	4902, 4972, and 4982 accounts	49xx accounts	A+D	D-G	1720 (CWIP) and 1832 (IUSD) accounts
Description	Unpaid Undelivered Orders	Unpaid Expenditures or Delivered Orders	Paid Expenditures or Delivered Orders	Costs (unpaid and paid). This column does not include UDOs (undelivered orders).	Undelivered orders and paid and unpaid costs (total costs).	Capitalized costs (Costs less CWIP). This amount should represent the capitalized costs reported on NF 37-6(s).	Total costs that have not been capitalized.

CBS CWIP Report (CA500D) – Effect of Transfer-In of Assets to NOAA

When an asset is transferred into NOAA from another Federal agency, and the asset is part of a CWIP activity, the asset is recorded on NOAA's books as a transfer-in of CWIP (into SGL Account 1720). As a result, it will reflect differently than normal CWIP activities on the CBS CWIP Report (CA500D) until the asset is capitalized by the NF 37-6 and the adjusting entry is entered into CBS by the NOAA Finance Office's Financial Statements Branch (FO-FSB).

> For example, if the Navy transferred a ship to NOAA, with a value of $8.9 M, the $8.9 M will be captured in Column "E", Uncapitalized Cost of the CBS CWIP Report (CA500D), once the ship is transferred to NOAA. Since NOAA did not obligate or expend any budgetary resources for the $8.9 M ship, Columns A, B & C would all be $0, in relation to this transfer in activity, which would result in a negative amount in Column D for Capitalized Cost, since Column D is a formula.

> Continuing with the example, NOAA plans to refurbish the ship for another $20M (above the $8.9 M value of the ship when transferred into NOAA). Because the refurbishment will be funded by NOAA, once the costs are obligated, the left side of the CBS CWIP Report (CA500D) will reach $20M (Columns A thru C), while the right side of the report (Column E) will also increase from $8.9M by the $20M to $28.9M. Once the CWIP activity is completed, the Capitalized column (Column D) will still remain negative $8.9M. However, the ship will be capitalized (NF 37-6) at $28.9M (NOTE – the NF 37-6 should include the amount transferred in from Navy and identify the amount of $8.9M as a transfer into NOAA from the Navy). Once the CWIP project is completed and the general ledger is adjusted using the NF 37-6 for $28.9M, the CBS CWIP Report (CA500D) report would reflect the following:
> Column B for Costs = $20M
> Column C for Total Obligations = $20M
> Column D for Capitalized Cost = $20M (B-E)
> Column E for Uncapitalized Cost = $0

CBS CWIP Report (CA500D) – Impact of NF 37-6 General Journals

The FO-FSB uses the NF 37-6 as the source document for capitalizing assets relating to CWIP. A general journal (GJ) entry is prepared based on information shown on the NF 37-6. The GJ is used to enter the data into CBS adjusting entries.

> For example, the FO-FSB receives a NF 37-6 for a ship project in the amount of $45M, from the CWIP Activity Manager. The CBS CWIP Report (CA500D) would reflect the following prior to GJ being processed:
> Column A for Undelivered Orders = $0
> Column B for Costs = $45M
> Column C for Total Obligations = $45M
> Column D for Capitalized Cost = $0
> Column E for Uncapitalized Cost = $45M

Once the FO-FSB processed the GJ, the CBS CWIP Report (CA500D) would reflect the following:

> Column A for Undelivered Orders = $0
> Column B for Costs = $45M
> Column C for Total Obligations = $45M
> Column D for Capitalized Cost = $45M
> Column E for Uncapitalized Cost = $0

CBS CWIP Report (CA500D) – Purge Criteria

The CBS CWIP Report (CA500D) "PURGE" capability will eliminate completed CWIP project codes (not delete them) from the CBS CWIP Report (CA500D). The purge criteria are:

- The CBS project code project 'Type' is CWIPC or IUSDC, **and**
- Column A, Undelivered Orders (all SGL 48XX SGL Accounts) and budgetary Accounts Payables (only SGL 49X1 SGL Accounts) net to $0, **and**
- Column E, Uncapitalized Costs (SGL 1720 and/or 1832 SGL Accounts) net to $0, **and**
- Column B, Costs (all SGL 49XX SGL Accounts, both 49X1 & 49X2) = Column D, Capitalized Cost.

NOTE: When a CWIP activity is complete, and all calculations criteria above has been met, **the CWIP Activity Manager must notify the FO-FSB and request the CWIP project code project "type" be changed** from "CWIP" to "CWIPC" or "IUSD" to "IUSDC" for all completed CWIP activities, which will allow the projects to purge from the CBS CWIP Report (CA500D).