



Insert Project Manager's Address

Insert Routing Code

June 4, 2012

MEMORANDUM FOR: Real Property Management Division (RPMD)

FROM: **Insert CWIP Project Manager's Name**
CWIP Project Manager

Insert CWIP Activity Manager's Name
CWIP Activity Manager

SUBJECT: Initial Determination for Construction Work-in-Progress (CWIP)

CWIP ACTIVITY TITLE: **Insert the CWIP Activity's Official Name**

REFERENCE: NOAA's CWIP Policy and Procedures Manual

Based upon my review of NOAA's CWIP Policy and Procedures Manual and the information below, this memorandum documents my initial determination as to whether the above activity qualifies as a Real Property CWIP activity. If it is determined be CWIP, the provisions outlined within the CWIP Manual will be followed to account for appropriate expenditures.

According to NOAA's CWIP Policy and Procedures Manual, CWIP is a temporary holding account used to track costs during the design and construction activities of property, plant and equipment (PP&E). In order to be considered a CWIP activity, a construction project must meet four criteria for capitalization and result in a constructed asset.

CWIP can be either real or personal property or internal use software. Real Property is defined as land and permanent improvements to the land such as buildings and structures. Property that becomes an integral part of a building such as heating and air conditioning units is also considered to be real property.

Support for CWIP Determination:

Description of the CWIP Activity/Asset(s):

Insert description of the asset(s), including any demolition needs, square footage of each asset, construction materials, intended use or purpose of the asset, etc.).

Is this activity constructed? Yes No

Initial Estimate Cost:

Estimated Useful Life of Asset(s):

Long term future economic benefit to NOAA? Yes No

Will this be sold or transferred after completion? Yes No

CWIP Conclusion:

To qualify as a CWIP activity, an acquired asset must meet **all** of the CWIP criteria. Check the following criteria that apply to this project:

- Is a construction activity
- Total estimated project equals \$200,000 or more
- Service life is estimated to be 2 years or more
- Provides a long term future economic benefit to the NOAA organization which maintains or obtains control
- Is not intended for sale

Based on the information provided in this determination letter by the CWIP Project manager, the Real Property Management Division concurs that this is a Real Property CWIP activity.

Signed: _____ Date: _____
Real Property Management

cc: CFO/CAO
 Budget Analyst

Attachment A: Other Information regarding the Real Property Asset(s) being constructed
(To be provided to the Real Property Management Division with the determination letter.)

Estimated start date for this project is: **Date**

Beneficial Occupancy Date and/or Substantial Completion or the date this asset will likely be placed in service is: **Date**

Project Location: **Insert Project's Address**

Is this CWIP activity?

New Construction

Replacement/Renovation of Major Systems or Subsystems
(Check each of the engineering disciplines below for which Major Systems or Subsystems will be replaced or involve major renovations. **NOTE:** Do not check a block if the major system or subsystem was not replaced or the renovation was not major.)

Architectural

- Roofing and Roof Insulation
- Exterior Finishes, Doors and Windows
- Interior Finishes and Partitions
- Structural Repairs and Improvements
- Other (Specify)

Mechanical

- Plumbing and Fire Suppression
- Heating, Ventilation, Fuel Storage and Controls
- Chillers and Cooling Towers
- Conveyance/ Elevator
- Other (Specify)

Electrical

- Service Entrance
- Emergency Power
- Distribution Panels, UPS's, Power Conditioners and Alarm Systems
- Interior and Exterior Lighting
- Other (Specify)

Communication Systems

- Description

Note: There may be projects – such as the complete replacement of a single major system-that would be life extending and thus capitalized. Projects of this type should be evaluated using the professional judgment of the engineer designing or overseeing the design of the project. Justification is to be included in the project description on page 1.

(Attachment A continued)

If upgrade/modification to existing Real Property asset: **Insert Property ID Number** (to be provided by Real Property)

Is this an improvement to leased property? Yes No

Lease Number, if “yes” (to be provided by Real Property): **Insert Lease Number**

Will this project result in or affect more than one asset? Yes No

If “yes,” attach a list of each asset with estimated BOD.

Will this project result in an existing asset being declared excess? Yes No

If “yes,” attach a description of property being excessed.

Object Class Code of completed asset: **Insert Object Class Code**