



NESDIS CWIP Training

Quarterly Reconciliations & Capitalization Packages

December 16, 2015

Agenda

- Welcome and Introductions
- Quarterly CWIP Reconciliations
 - Overview of CWIP Reconciliations (purpose, uses, and timelines)
 - Review of Reconciliation Template
 - Best Practices Discussion
 - Discussion of Challenges and Suggested Improvements
- Capitalization Package Preparation
 - Overview
 - Review Process
 - Requirements
 - Supporting Documentation
- Questions
- Points of Contact

Quarterly Reconciliations

Quarterly Reconciliations: Overview

Purpose: The CWIP Quarterly Reconciliations are meant to compare the transactions recorded in the financial system (CBS) with the supporting documents (IPACs, SF1080's, Invoices, etc) maintained in the program office.

Uses: NOAA Finance uses the reconciliations to record any necessary adjustments in the financial system. The auditors request the reconciliations for testing purposes.

Timelines: The reconciliations are prepared quarterly with an extra "Q5" recon prepared for year end.

Quarterly Reconciliations : Template - Heading

CWIP Reconciliation Template											
If you have questions related to this reconciliation, contact your Line/Staff Office CWIP Manager and/or Jones Harbor, FO-FSB.			Comparing CWIP Activity Manager's CWIP Records to CBS CWIP Report (CA500D)								
			For Period Ending:		Month Day, Year						
CWIP Activity No. (CWIP Activity Database)		Activity Title	<input type="checkbox"/> I certify that this CWIP reconciliation is complete and that the costs below are complete and accurate.								
Line/Staff Office		Est. Placed In Service Date									
Estimated Cost		CWIP Activity Inception Date				CWIP Activity Manager		Date			
CFO/CAO (Deputy CAO) Signature & Date						Prepared By (if different					
or						than CWIP Activity					
Management & Budget (M&B) Chief Signature & Date						Manager)		Date			

Notes: The certification fields on the left side of the header are new and are to be signed by the Activity Manager and preparer.

Quarterly Reconciliations : Template – Activity Managers Records

A	B	C	D
CWIP/ CWIPC or IUSDC/ IUSDC	Fund Code	Project & Task Codes	CWIP Activity Manager's Uncapitalized Costs (CWIP Costs)
CWIP	0086	Project Code # 1	8,900,000.00
		Task Code	
		Task Code	25,000,000.00
		Project Code Total	33,900,000.00
CWIP	0088	Project Code # 2	34,000.00
		Task Code	
		Task Code	
		Project Code Total	34,000.00
CWIP	1002	Project Code # 3	6,000.00
		Task Code	
		Task Code	
		Project Code Total	6,000.00
CWIP	0016	Project Code # 4	0.00
		Task Code	
		Project Code Total	0.00
		CWIP Activity Total	33,940,000.00

Notes:

- Column D should be populated with information from source documents (IPACS, Invoices, etc.) Column D should not be populated with information from the CA500D or MARs Reports.
- CWIPC and IUSDC codes should be shown at the bottom of the template.

Quarterly Reconciliations : Template – CA500D

E	F	G (E - F)	H (G - D)
CA500D Information			
Costs (Excludes Undelivered Orders)	Capitalized Costs (From NF 37-6(s))	Uncapitalized Costs (CWIP Costs)	Differences
	(8,900,000.00)	8,900,000.00	0.00
		0.00	0.00
25,000,000.00		25,000,000.00	0.00
25,000,000.00	(8,900,000.00)	33,900,000.00	0.00
34,000.00	34,000.00	0.00	(34,000.00)
		0.00	0.00
		0.00	0.00
34,000.00	34,000.00	0.00	(34,000.00)
	0.00	0.00	(6,000.00)
		0.00	0.00
		0.00	0.00
0.00	0.00	0.00	(6,000.00)
	(34,000.00)	34,000.00	34,000.00
		0.00	0.00
0.00	(34,000.00)	34,000.00	34,000.00
25,034,000.00	(8,900,000.00)	33,934,000.00	(6,000.00)

Notes: The information in columns E through G should be populated directly from the CA500D report without alteration.

Quarterly Reconciliations : Template – Reconciling Adjustments

I	J	K	L (I + J + K)	M (H + L)	N	O
Reconciling Adjustments to:						
CA500D Costs	CA500D Capitalized Costs	CWIP Activity Manager's Files/ Records	Total	Proof of Adjustments	Explanation of Adjustment(s) (Expand column as needed or use wrap text function)	
	0.00	0.00	0.00	0.00	Amount represents transfer in of ship from Navy.	
			0.00	0.00		
			0.00	0.00		
0.00	0.00	0.00	0.00	0.00		
0.00	34,000.00	0.00	34,000.00	0.00	Amount represents cancelled fund transferred to X year f	Explanation Needed
			0.00	0.00		
			0.00	0.00		
0.00	34,000.00	0.00	34,000.00	0.00		
0.00	0.00		0.00	(6,000.00)		Explanation Needed
			0.00	0.00		
			0.00	0.00		
0.00	0.00	0.00	0.00	(6,000.00)		
0.00	(34,000.00)	0.00	(34,000.00)	0.00	Amount represents cancelled fund transferred to X year f	Explanation Needed
			0.00	0.00		
0.00	(34,000.00)	0.00	(34,000.00)	0.00		
0.00	0.00	0.00	0.00	(6,000.00)	NOTE: All items above need support to prove their accuracy.	

Notes: All differences and reconciling adjustments require an explanation in Column N.

Quarterly Reconciliations : Template – Proof of Costs

Optional:			
Proof of Costs:		CBS CWIP Report (CA500D) Information	
Project Code	Costs	Undelivered Orders	Total Obligations
Project Code 1	0.00	0.00	0.00
Project Code 2	20,000,000.00	0.00	20,000,000.00
Project Code 3	0.00	0.00	0.00
Project Code 4	0.00	0.00	0.00
Activity Total	\$20,000,000.00	\$0.00	\$20,000,000.00

Notes: This section is now optional. This section should be populated with information from the CA500D report.

Quarterly Reconciliations : Best Practices

- The Quarterly Reconciliation process feeds into the Capitalization Package Process by ensuring that the CWIP Activity Managers files are complete and contain support for all the costs being capitalized.

Group Discussion Topics:

- Tips of using the Checklists
- Best uses of the CA500D report
- Best practices for identifying differences
- Methods for organizing the Activity Managers Supporting Documents Files

Capitalization Packages

Capitalization Packages: Overview

Purpose: The capitalization packages are used to support an asset moving from CWIP to Placed in Service and beginning depreciation.

Uses: The capitalization packages are used to move assets from CWIP to Placed in Service and are used by NOAA Property to maintain supporting documentation

Timelines: The CWIP Policy defines the 90 day timeline for completing the cap package from the Placed in Service/ BOD date.

Capitalization Packages: Overview

Timeline: CWIP Policy

Placed In Service (PIS) date of October 1 through July 13:

Days from PIS **Activity**

- Days 1-40: The CWIP Activity Manager must forward a completed NF 37-6 to FO-FSB
- Days 41-50: The FO-FSB will review and approve the NF 37-6 and forward to RPMD/PPMB
- Days 51-80: The RPMD/PPMB will review and approve the NF 37-6 and forward the signed NF 37-6 to the FO-FSB and to the CWIP Activity Manager
- Days 81-90: The FO-FSB will process the General Journal (GJ) and the entire process should not exceed 90 calendar days after the date the asset was placed in service (supported by documentation)

Timeline: NESDIS

Placed In Service (PIS) date of October 1 through July 13:

Days from PIS **Activity**

- Days 1-40: The CWIP Activity Manager must forward a completed NF 37-6 to **FAB**
- Days 41-50: The **FAB** will review and route the NF 37-6 to RPMD/PPMB and **FO-FSB** for preliminary review
- Days 51-75: The RPMD/PPMB and **FO-FSB** will review the NF 37-6 and forward any required changes to FAB and the Activity Manager
- Days 76-80: The FAB will route the completed and reviewed NF 37-6 Package for signature to NESDIS CFO; FO-FSB; PPMB/RPMD**
- Days 81-90: The FO-FSB will process the General Journal (GJ) and the entire process should not exceed 90 calendar days after the date the asset was placed in service (supported by documentation)

Capitalization Packages: Review Process

- Capitalization packages are first reviewed by the FAB Branch, then a preliminary review is conducted by NOAA Finance and PPMB/RPMD concurrently. When there are no remaining issues the FAB Chief, NESDIS Deputy CFO and CFO review and sign the NF 37-6 package. Next NOAA Finance and PPMB/RPMD review and sign the package.
- Each office reviews the Capitalization package for specific requirements:
 - NOAA Finance – only reviews the NF 37-6 and they compare the data to CBS
 - PPMB/ RPMD – views the entire capitalization package (they do the deep dive of the package)
 - NESDIS FAB/CFO - ensures that all documents are in the capitalization package, that the NF 37-6 and NF 37-509 data matches and check the CA500D to sure the Uncapitalized Cost column has the sufficient dollar amount for the Total Capitalized Cost.

Capitalization Packages: Requirements

- The requirements for preparing a capitalization package can be found in the NOAA CWIP Policy Section 6.

<http://www.corporateservices.noaa.gov/finance/CWIP%20Policy%20and%20Appendix.html>

- Instructions for completing an NF 37-6 can be found on the NOAA Finance Website.

<http://www.corporateservices.noaa.gov/finance/CWIP%20Forms.html>

Capitalization Packages: Supporting Documentation

- All supporting documents are required when an NF 37-6 is submitted to FAB.
- Cost support (Invoices, IPACS, SF 1080, etc) must be provided for all costs on the NF 37-6. If support is not available ...
- Support for the Placed In Service date (Operational Handover Date, Beneficial Occupancy date, Acceptance date) should be documented and provided.
 - Supporting documents include Handover memo signed by the Program Office Chief and OSPO;

Questions

Questions

Points of Contact

Finance & Accountability Branch

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