UNITED STATES DEPARTMENT OF COMMERCE

National Oceanic and Atmospheric Administration



Insert Project Manager's Address

Insert Routing Code

May 31, 2012

MEMORANDUM FOR: The Personal Property Record

Personal Property Management Branch (PPMB)

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 Personal Property CWIP activity. If it is determined to 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 or fabrication activities of property, plant, and equipment (PP&E). In order to be considered a CWIP activity, a project must meet four criteria for capitalization and result in a constructed or fabricated asset.

CWIP can be either real or personal property or internal use software. According to the Personal Property Management Branch’s website, personal property is equipment/asset that is not real property. Personal property includes internal use software or software which will be used internally.

**Support for CWIP Determination:**

**Type of Asset(s):**

**Personal Property**

(Acquisition, development, construction or installation of equipment/ asset that is not real property or a significant improvement/modification to the original asset.)

**Internal Use Software**

(Development or modification to software which will be used internally)

**Description of the CWIP Activity/Asset(s):**

Insert brief description of the asset(s) and its purpose or intended use

**Is this activity constructed/fabricated?**  Yes  No

**Initial Cost Estimate:** Insert Estimated Project Cost

**Estimated Useful Life of Asset(s):** Insert Estimated Useful Life

**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/fabrication 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 Personal Property Management Branch concurs that this is a Personal Property CWIP activity.**

Signed: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Date: \_\_\_\_\_\_\_\_\_\_\_\_\_

Personal Property Management

cc:  Insert CFO/CAO's Name, L/SO CFO/CAO

Insert Property Manager's Name, L/SO Property Manager

Insert Property Custodian's Name and Custodial Area, if known, Property Custodian

Insert Name, CAO/PPMB

Insert Name, Finance Office – Financial Statements Branch

Insert Name, Office of the CIO (for Internal Use Software)

**Attachment A: Other Information regarding the Personal Property Asset(s) being constructed**

(To be provided to the Personal Property Management Branch with the determination letter. If any of the above information is unavailable at the time of the determination, contact the Personal Property office.)

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

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

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

**Final Project Location:** Insert Project’s Ending Address

**Is this CWIP activity?**

New Construction

Upgrade/Modification to an Existing Personal Property Asset

Please provide existing bar code**:**

**If upgrade/modification, is this an improvement to leased property?** Yes No

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

**If “yes,” attach a list of each expected asset with estimated BOD. Indicate parent asset.**

**How is this asset being capitalized?**

When asset is completed

By milestone (if by milestone, insert schedule)

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