

# CWIP WORKING GROUP MEETING

January 19, 2010

11:00 am to 12:00 am, SSMC4, Room 9153

The meeting was chaired by Miguel Rodriguez.

## Attendees:

<u>attend</u>	<u>NAME</u>	<u>LINE OFFICE</u>
x	BELL, LORI	OMAO/DS/PAD
x	Breger, Carol	NESDIS/DNIP
x	CREEGER, Steven	CAO/LD/PPMB
x	DECKARD, Thomas	CAO/LD/PPMB
x	Foster, Sheila	NWS
x	Galloway, Renee	NOS/MBO
x	GARDNER, Megumi	CAO/LD/PPMB
x	Harbor, Jones	CFO
x	HENSLEY, Sheila	CAO/LD/PPMB
x	Johnson, Deborah	CAO/CAO/LD/PPMD
x	Leary, Tim	NESDIS
x	MacMillian, Robin	CAO/LD/PPMB
x	MICKENS-MURRAY, JUDY	CAO/LD/PPMB
x	MILLER, MARK	CFO/FOC/FRD/FSB
x	Million, Andy	NWS/OST
x	MOONEYHAM, Beverly	CAO/PPMD
x	MOSLEY, COREY	NESDIS/BPO
x	Myers, Candi	CFO
x	MYERS, Paul	CAO/LD/PPMB
x	Potter, Heather	CFO
x	RODRIGUEZ, Miguel	CAO/LD/PPMB
x	Smoak, Sandy	CFO
x	SPENCER, Melvin	CFO/FOC/FRD/FSB
x	SWEENEY, REBECCA	OMAO/DS/PAD
x	Taylor, Joy	CAO/LD
x	WHITMEYER, MARY ANN	CAO/RPFLO
x	WILLIAMS, Lisa	CAO/Real Property
x	WOODS, Lenora	NESDIS/BPO
x	ZHAO, LU	CAO/LD/PPMB

## **The agenda:**

- 1 Comments on minutes from December 15 meeting.
- 2 Revised project code activation procedure (attachment)
- 3 Documentation Revision (attachment)
  - o Property offices given overview of capabilities of MARs query.
- 4 Status revised meeting charter
- 5 Status of NF 37-6 instructions
- 6 Status of CD 509 instructions
- 7 Discuss policy on days from acceptance to date capitalized in inventory.
  - o information from KPMG on what is acceptable;
  - o and white paper info from Finance
- 8 Revised policy to go out at the end of January to include 37-6 with instructions, revised determination letters
- 9 Possible use of SharePoint site for posting meeting documents
- 10 Priority list to be reactivated

## **Action Items:**

The proposal regarding the revised project code activation procedure which was approved by the Working Group will be emailed to the Business Rules Group and Heather will confer with Mark and Candi before an official communication is distributed.

Lenore will contact the MARS administrator regarding the upgrade of the query to Office 2007 and get the results back to Paul for distribution.

MaryAnn will distribute the final copy of the proposed policy changes for Documentation Requirements for a vote by the Line Offices.

Heather received comments regarding the NF 37-6 Instructions from OMAO, NESDIS and RPMD. She will be addressing these comments by early next week and will distribute the revised copy.

Steve Creeger said that he is compiling material and will be meeting shortly with the people directly involved with the 509 instructions. They will be distributed for comment by Friday next week.

Miguel volunteered to represent Property in the effort to draft the revised policy concerning the deadlines to process new Financial projects. Heather offered to assist Miguel. The task will be completed and distributed by 29 January.

Mary Ann offered to take the initial steps to reactivate the use of the priority list for the working group.

## Minutes of the Meeting

- 1 Comments on minutes from December 15 meeting.

OMAO had submitted comments on the meeting in writing and inquired about the status of those comments. They had not been reviewed. Judy instructed Paul to review the comments and review with her whether any of the minutes need to be updated. In the future, Paul is to collect those comments, acknowledge their receipt and review any issues with Judy and Mary Ann.

## Revised project code activation procedure

Heather described the proposed process for review and approval of CBS Project Codes.

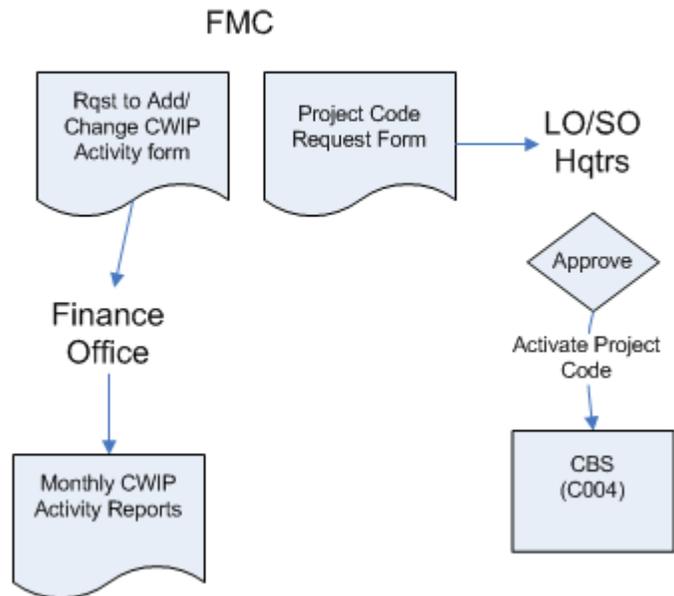
This proposal has been presented to the business rules committee several times, so all their comments regarding timelines, the approval process, etc. have been addressed. They are prepared to vote on the proposed process but want to make sure that the CWIP working group has had an opportunity to comment on the proposed process.

Currently, the Line Offices approve project codes assigned to their CWIP projects.

The problems with this process are that:

- Forms not submitted and CWIP Activity Database not current and complete
- Project code structure not in compliance with appropriate structure before costs assigned
- CWIP Determination Letter not completed at start of project (before project charged), etc.

### Current Project Code Authorization Process



## Proposed Project Code Authorization Process

In the proposed change, FMC submits a CWIP Determination Letter to LO headquarters, CAO and FO for approval (which should take no longer than 5 business days). This approval can be done months in advance of the project initiation.

The approved CWIP Determination Letter is attached to the Project code request form submitted to the LO/SO Headquarters' contact.

The LO/SO Headquarters contact reviews and approves the Project code request form and the form to request or add a CWIP Activity to the database to LO headquarters, CAO and FO.

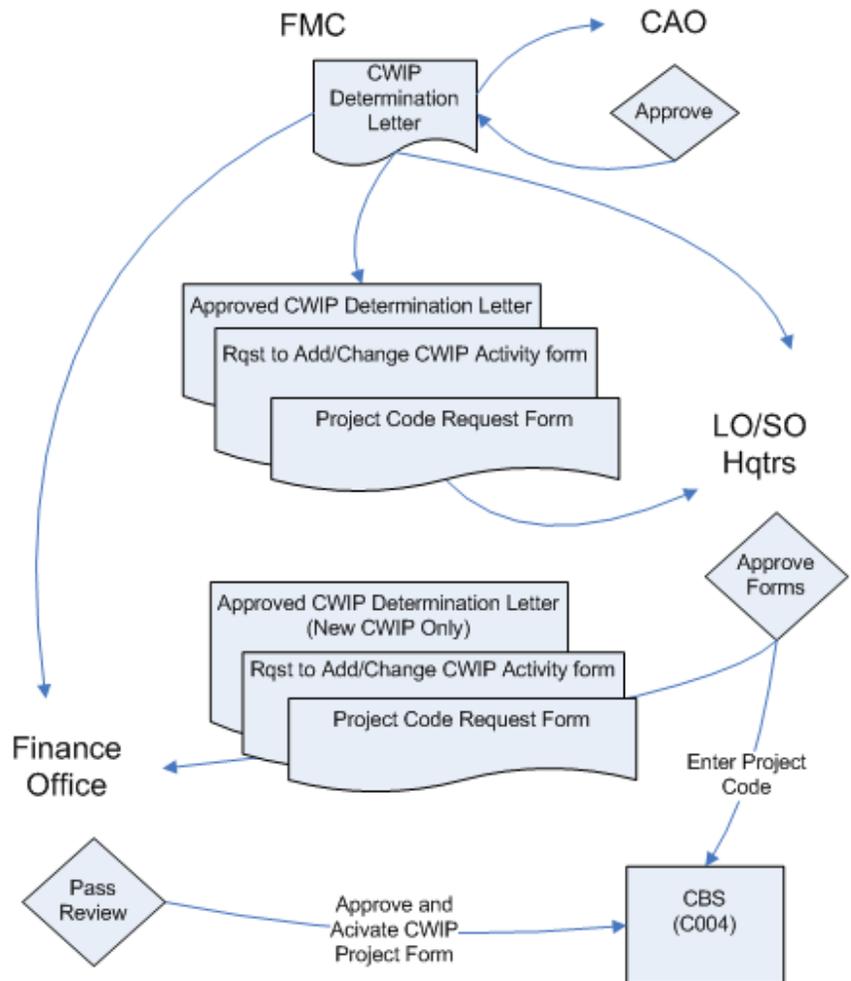
LO/SO Headquarters Office forwards the approved forms to FO (Financial Reporting Division).

FO reviews the forms, contacts the LO/SO regarding any corrections and updates the CWIP Activity Database. LO/SO is notified of the approval.

This is similar to how the current reimbursable project/task code approval process is working. Heather was looking for comments or concerns from the CWIP working group.

Becky Sweeney (OMAO) submitted written concerns to a 2 October presentation in which they voted against this proposal. They currently have the same concerns at this time:

1. They felt that inaccurate assignment of project codes should be addressed by training.
2. Additional steps in the project code approval process will inhibit the capability to properly assign charges to CWIP projects
3. The additional steps will add to the current workload



Additionally, Becky pointed out that, recently, it has been difficult to get changes into the CWIP database. Some changes to the database have taken months. If we hold up the creation of CWIP project codes that there will be a great deal of purchases incorrectly charged to non-CWIP project codes.

Heather thought that all concerns had been addressed, but asked Becky to forward that set of concerns and she will review them to ensure that they were addressed.

Lenora (NESDIS) expressed the thought that all the LOs had agreed to this process, but also expressed the concern that the identification of and timely communication to the Finance contacts will be critical to the success of the process. Heather responded that Melvin and Jones would be available as contacts and Heather would be the backup.

Judy asked whether the concerns had been sent to the Business Rules Group. Beck was unsure whether James Ladue was a member of the Business Rules Group, but he was supposed to forward their concerns to the proper contacts. Judy expressed the opinion that if the document had been forwarded to the Business Rules Group and that the Business Rules Group was prepared to act upon this then the concerns had already been taken into consideration.

Candi offered that the concerns of the Business Rules Group with the proposal was the turnaround time of the project code request form and the Determination Letter, as well as what the Finance Office would commit to as a turnaround time (which was a 24-hour turnaround). If that timeline is met, it should not hold up the proper assignment of costs. The Business Rules Group also expressed a concern regarding the identification of and timely communication with the contacts in the CAO office. Candi felt that all these concerns had been addressed.

Judy asked for any other concerns that would stop this proposal from going to a vote by the CWIP working group. Bev questioned whether the approval mechanism described in the current process was accurate, as it didn't seem to be in effect at her Line Office. Mary Ann suggested that we not spend our efforts on the dissection of the current process, but focus on the proposed processes. Lenore thought that the problem may be that not all CWIP activity managers were budget analysts, so some Activity Mangers would not be familiar with this flow.

The question was asked about a commitment from the Finance Office for turnaround time for making changes in the CWIP database. Heather responded that there currently was not. They are working hard to clean up the database and if there are corrections that need to be made, let her know of them.

Since the substance of the Line Office concerns had been addressed, Judy asked for a vote to approve a recommendation for the proposed process. The recommendation was approved, noting the exception by OMAO. Heather said that she'd change the CAO contact from Miguel to Tom Deckard.

The is no effective date at this time. The proposal will be emailed to the Business Rules Group and Heather will confer with Mark and Candi before an official communication is distributed.

Candi asked that the proposal be put on the 2 February Business Rules meeting. Heather responded that the proposal could go out for an email vote and may be approved before that meeting.

## **Documentation Revision** (attachment)

Mary Ann had distributed the Proposed Policy Change. She only got comments from OMAO and Finance. She addressed those comments and generated a chart which showed how those comments were addressed.

The new policy would have two separate listings; the CWIP Activity Manager's file and the minimum supporting documentation submitted to the Property Office.

The big "sticking point" at this time has been the Discoverer Query. It is included in the minimum supporting documentation submitted to the Property Office.

The MARS query, as demonstrated by Lenore, provides much the same information. When that is up and running, that would also be acceptable.

On Appendix K, the redundant list of documentation has been removed. An illustration of a typical Property Office file was added.

Becky thought there were several places in the matrix where the comments were addressed and accepted, but that the response to the comment had not appeared in the text of the product. The various mechanisms used to identify the initiation of operational status were discussed and the language of the second bullet, "Letter of acceptance or BOD Letter (signed by the Project Manager)" was to be rephrased to read "Acceptance Documentation".

26:00

It was pointed out the some offices have all costs assigned to CWIP project codes and would not have the need to transfer costs, so the "required annual SLTs for incidental and administrative costs" would not apply to them. Mary Ann said she would amend the statement to say "If required" or "if applicable".

The statement "hard copies of invoices to support the dollar amounts reported on the NF 37-6" was amended to remove the limitation to "hard copies" because of the use of electronic communications. Mary Ann said she'd also review the rest of the text to ensure that the documentation products were not limited to "hard copies."

OMAO expressed the concern that the "standard Data Warehouse (DW) Discoverer Query (FMC Business Area) results for CWIP activities, by project code" was going to run over 1000 pages; a burden to generate. She also asked whether the auditors were going to be willing to accept the report in lieu of copies of source documentation. It was thought that the auditors would use the report to pull samples, as would PPMB.

A problem was noted with the download of the MARS query; NWS has not upgraded their server from Office 2003 to Office 2007, which is a NOAA requirement. Reports are limited to 65K

records, truncating the report for large projects, like a 15-year project NPOS. Efforts to download the report in a PDF format were also unsuccessful. Lenore will take it as an action item with the MARS administrator. She will also run the query in Discoverer to see if the same limitation exists. Suggestions were made to circumvent the limitation by breaking up the query by project code or timeframe, but the basic solution is to get the server upgraded.

Lenore will contact the MARS administrator regarding the upgrade of the query to Office 2007 and get the results back to Paul for distribution.

MaryAnn will distribute the final copy of the proposed policy changes for Documentation Requirements for a vote by the Line Offices.

### **Status of the revised meeting charter**

Mary Ann has drafted the charter, but there is an issue between Finance and the Property Office that needs to be resolved. She hopes to have it in the near future.

### **Status of NF 37-6 instructions**

Heather received minor comments regarding the NF 37-6 Instructions from OMAO, NESDIS and RPMD. She will be addressing these comments by early next week and will distribute the revised copy. She will either ask for a vote or discuss it at the next meeting.

### **Status of CD 509 instructions**

Steve Creeger said that he is compiling material and will be meeting shortly with the people directly involved with the 509 instructions. They will be distributed for comment by Friday next week.

### **Discuss policy on days from acceptance to date capitalized in inventory.**

Mary Ann distributed the comments received from the auditor. The current policy dictates three months. A concern has been raised on how to accommodate that timeline. In a fiscal quarter, the Activity Managers on have about two and one-half months because of deadlines established by Property and the Finance Office to get information in for the quarterly report.

If anybody wants to forward suggestions, send your response to [paul.myers@noaa.gov](mailto:paul.myers@noaa.gov) and he will share the responses with Judy.

Candi stated that Finance is willing to accept an input up to the second business day following the fiscal quarter as an on-top statement, providing the Activity the entire three months. Andy (RPMG) stated that even if the transaction is captured in as an on-top adjustment, it is not reflected in the Agency report (?). Mary Ann said that even if a project is reported just before the deadline (say the 18<sup>th</sup> of the month), there will be problems making the deadline if there are problems with the documentation. If the project is added just to make the deadline, Property has lost all leverage with the client to have them respond with the needed documentation.

Mark offered that any project added as an on-top adjustment would have to already have all the necessary signatures and paperwork to qualify as a project. The data call would need to be modified to reflect that information in as it now reads to address any project completed between September 18<sup>th</sup> and the 30<sup>th</sup>. If a project is completed by 30 September, it must be put on the Financial Statement. The Property Office accepts that fact and this is the one time that they are willing to accept estimates to expedite the processing.

Someone needs to draft the revised policy.

The original proposal to the working group was to allow the Activity Manager 30 calendar days, Finance 15 calendar days, and the Property Office 21 calendar days. Estimates would be accepted for items with BODs of 10 September or later.

It was thought that the only firm deadline was to include all projects that went operational before the end of the fiscal year. Some of the NFRs NOAA received this last year concern projects that were not reported in the same non-EOY quarter. The interpretation of the standards changes each year that a new auditor is brought aboard. Miguel said that Property needed 30 days for their part of the process because they are not only reviewing the 37-6, they are helping the clients prepare the CD-509 and make any Sunflower catalog changes.

Becky asked whether the policy wasn't changed so that the 509 was submitted with the 37-6. Judy responded that this was so, but we were waiting to see if the clients were conforming to the new directions. Becky voiced the opinion that 30 days was not enough time for the Activity Manager to put together the 37-6.

Candi said that there should be another phased added to that cycle to identify the time when the project is sent to Finance to be recorded in the general Ledger.

Miguel volunteered to represent Property in the effort to draft the revised policy concerning the deadlines to process new Financial projects. Heather offered to assist Miguel. The task will be completed and distributed by 29 January.

### **Revised policy to go out at the end of January to include 37-6 with instructions, revised determination letters**

Heather – Completion of this task depends on whether we want to include the new 37-6 instruction and the minimum documentation instructions. Judy also asked that the distribution include the revised 509 instructions, but it was pointed out that the form is a tool for Property. Heather would like to get the package out NLT the middle of February.

The revised minimum documentation instructions are to be distributed for a vote today. Mary Ann will ask the Line Offices to include the identification of the person who is to cast their vote. The new 37-6 instructions are scheduled to be distributed for a vote NLT early next week. Judy asked

## **Possible use of SharePoint site for posting meeting documents**

Mary Ann has forwarded this idea of using a site to share documents. Users would simply use their existing IDs and passwords. She's had no response from the help desk. Joy cautioned folks that the request will take some time.

## **Priority list to be reactivated**

Mary Ann asked that we reactivate the use of the priority list for the working group. It would need to be updated to reflect the progress that has been made and any new issues need to be added. Mary Ann offered to take the initial steps.

## **Next Meeting:**

Next meeting is scheduled for February 16 in room 9153, SSMC4.