

## ***CWIP Management Committee Meeting 15 July 2009***

**Agenda:**

1. Review of the CWIP Management Committee Terms of Reference (TOR).
2. Review and acceptance of CWIP Working Group recommendations pertaining to the CWIP Issues List.

**Participants:**

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### Meeting Minutes:

The CWIP Management Committee Chair, Ms. Glenda Patrick, opened the meeting at 10:00 AM EST by taking roll call of telephonic participants and introductory of attendees. Ms. Patrick distributed the NOAA CWIP Management Committee Terms of Reference (TOR) and turned the meeting over to Ms. Judy Mickens, Chair of the CWIP Working Group.

Ms. Mickens provided the committee with an update of the working group's efforts and detailed issues requiring the approval of the committee:

#### **Policy and Procedural Changes:**

**Proposal** - *Once the NF 37-6 is accepted/certified and signed by the Finance Office, a scanned copy of the NF 37-6 is emailed to the CWIP Activity Manager and a copy is emailed to the corresponding real/personal property representative. The CWIP Activity Manager attaches the documentation supporting the cost to the NF 37-6. If the CWIP is for Personal Property additions, the property custodians generates the related CD-509(s).*

*The CWIP Activity Manager will provide both the NF 37-6, the CD-509 and supporting documentation to the appropriate Real/Personal Property Office representative for review and certification.*

*Once the CD-509 (for personal property assets) and NF 37-6 are reviewed and accepted by the appropriate Property Office, the asset is entered in the appropriate property system and depreciation begins. The PMO then certifies/signs the NF 37-6 and scans and emails a completed copy to Finance and to the CWIP Activity Manager.*

**Discussion** - Ms. Whitmeyer asked that the CD-509 references be separated from the NF 37-6 language. Ms. Potter suggested recommended changing the language to read, "*The CWIP Activity Manager will attach the documentation supporting the cost on the NF 37-6. For personal property assets, the CWIP Activity Manager will coordinate with the corresponding Property Custodian for the generation of related CD-509(s).*" Ms. Potter will prepare and submit this version to Ms. Mickens.

A question was raised regarding additional requirements that the line offices may wish to include. Ms. Patrick stated that we are addressing the broader agency policy; Line Offices are free to supplement it with their own procedures as long as they are in compliance with the NOAA policy. It's not necessary to include this option as a statement in each section of the NOAA policy document. If the committee feels this is necessary, Ms. Patrick recommended that it be a one-time statement in the introductory.

Ms. Sweeney stated that it will take longer to get the documentation submitted because now the Activity Managers must coordinate their activities with an additional office.

There was a question regarding the definition of supporting documentation. It was explained

that there are different interpretations and that one of the tasks the CWIP committee will be addressing will be the definition of the supporting documentation. The consensus was to insert language which references the definition of the documentation that is developed; possibly as an appendix.

Interest was expressed to separate Real and Personal property policy so as to avoid confusion.

Mr. Miller stated his concern regarding the order of priorities asking the committee to consider addressing the standardization of the documentation first in lieu of deciding on how sentences are to be inserted that would delineate between real and personal property.

Ms. Woods expressed the opinion that supporting documentation was not a key issue considering that everyone has to submit all documents that support the cost of the activity. Ms. Sweeney disagreed arguing that the definition of the supporting documentation is their number one priority and they believe disagreements exist on the definition of standard documentation.

Ms. Myers explained that prior audit findings identified inconsistencies in the CWIP policy related to the supporting documentation and what was sent to the PPMB.

Ms. Mickens concluded the discussion and moved to voting on the proposed changes.

### **Committee Consensus Decisions**

#### ***Item 1 - (described above) Changes in the CWIP Policy and Procedures (Document Flow):***

Participants in general agreement of the changes; however, Ms. Sweeney preferred the language in the current version. Consensus was to adopt the change.

#### ***Item 2 - Policy inconsistencies regarding the CWIP Project Manager's Responsibility versus the CWIP Activity Manager's Responsibility with regards to correct accounting codes and the financial and budget activities.***

OMAO's recommendation is that the Activity Manager be responsible for all financial activities and that all references in the policy of the Project Manager being responsible for financial functions be deleted. The idea was expressed that it is not so much important to specify the individual who performs that activity as it is to ensure that the activity gets done. Consensus was to adopt the change.

#### ***Item 3 - Add additional years to the drop-down menu for "Expected Useful Life of Asset (in Years)" on the NF37-6 form. There currently are only the following options: 5, 7, 10, 15, 20, 25, 30, 35, and 40.***

Permit the entry of all choices between 2 and 40 years. Consensus was to adopt the change.

**Item 4** - Change Section 6.1.3, page 25 of the policy from: "fair value" of facilities and equipment transferred to NOAA by another Federal agency" to "net book value or fair value, if net book value is not determinable". (Based on FASAB SFFAS No. 6, paragraph 31)

Consensus was to adopt the change.

#### **NOAA CWIP Management Committee Terms of Reference (TOR)**

Glenda attempted to open the discussion of the NOAA CWIP Management Committee Terms of Reference (TOR) which was distributed at the beginning of the meeting. Several members needed to have the document faxed to them because they couldn't open the email attachment.

Glenda stated that this was a draft document, but there is a need to keep the scope of the TOR at a high level. Working groups can further develop the details regarding the topics. She asked the group to expand any specific references to Personal Property to include all NOAA property. The language will be changed to reference all real and personal property.

The committee members were advised that "Reporting Requirements" may not be a necessary component of this document, but we must consider sustainment requirements generated from the CAPS.

The base document is ready for review; it is flexible.

A question was raised regarding the need for the committee to identify and monitor performance metrics. It was explained that the rationale for having high visibility and oversight of the performance metrics was driven by the audit CAPs.

As an example: NOAA's PPMB AOP processing time is 10 days for adds to Sunflower, the asset management system. However, the dates on CWIP CD-509s and 37-6 forms continue to be dated – in some instances years before the document is submitted. This was noted and included as part of last year's audit findings so the processing lag associated with CWIP needs to be addressed at the highest levels and monitored. The intent of the committee and its' working groups is to focus on systemic issues that need to be addressed and developing the standards should be a part of the roles and responsibilities associated with that should be delineated in the TOR.

A question was raised concerning some of the verbiage in the "Outcome Products" section of the TOR; more specifically, what was meant by "CWIP Project Data". Glenda explained that Cotton and Co are looking at all areas of the process to identify delays and why those delays exist. They developed a performance matrix for Property, but that analysis needs to be expanded across all areas of NOAA. Personal Property doesn't have a good view of when the projects are coming and going. While Real Property may not necessarily have that same challenge, data relating to

ongoing projects is not visible to PPMB and in many instances, the property custodians. PPMB used to perform a monthly data call that required the L/Os to submit the open project data, but current policy dictates that CWIP assets are pick-up upon completion of the project in lieu of actual receipt which, in some instances, is occurring over years. This is not in keeping with federal standards for accountability. Federal guideline dictate that when an asset has been received and the government has taken ownership, then you must account for the asset using your agency's approved property management system.

“Project Data” can be used by the committee to address corrective actions that have a NOAA-wide impact which is the rational for incorporating it as an outcome product for the committee.

Since there were a multitude of questions concerning what each of the TOR sections meant/represented, Glenda offered to distribute the document electronically for comment; consolidate responses; and do a draft final version for the next meeting.

### **Organization and Scheduling CWIP Meetings**

The structure if today’s proceedings were deliberately left loose. Glenda will want to get the meetings of the CWIP committee more formalized and documented with the start of the next meeting which is why the TOR needs to be finalized. At that point we will establish a reoccurring meeting schedule; working group meetings will continue to be held every two weeks.

Heather will update the CWIP Issues List to reflect current status. She will then forward the list to [paul.myers@noaa.gov](mailto:paul.myers@noaa.gov) who will distribute the update to committee members.

### **Administrative Issues**

There was a request to add Sharon T Berner/OAR to the distribution list.

The meeting was adjourned by the chair at 12:00 PM EST.