

**NOAA Personal Property
Status Meeting with Line, Staff, and Corporate Offices
May 5, 2010 at 11:00 am**

Attendees and Telecom Participants

AGO

CAO Rosa Sorrell

CFO

CIO Vanessa Rini-Lopez Andrew Venaglia

GC

NESDIS Bernadette Foreman

OMAO Beth Downs Candi Myers

Harrie Cherry

NMFS Carol Ciufolo Rhonda Perry-Burgess

NOS Sloane Strother

NWS Jan Evans Yvette Garnett-Singleton

OAR Marie Covard

USAO

WFM Gail Perry

Finance Heather Potter

Mark Miller

LD/PPMB

Joy Taylor

Obadiah Aguliar

Judy Mickens-Murray

Edwin Lewis

Tom Deckard

Robin MacMillian

Ken Morrow

Debbie Pickerign

Larry Oates

Ken Morrow

Michelle Ross

Larry Oates

Melissa Nelson

Holly Turri

RPFLO Mary Ann Whitmeyer

BranCore Technologies

Paul Myers

Glenn Davis

Cotton & Co

Ralph Newsome

Meg Gardner

Lu Zhao

Agenda:

- FY 2010 PRE-AUDIT TESTING RESULTS
- FY 2010 A-123 AUDIT TESTING RESULTS
- PMO CALENDAR
- OPEN CWIP PROJECTS
- BUBBLE CHART – DEPARTMENT OF COMMERCE
- UPR
- CAPITALIZED ASSETS TO BE DISPOSED
- FINANCIAL ASSET ADDITIONS
- ADDS EDITS INTERFACE PROCESSING TIME
- PHYSICAL INVENTORY – 1ST and 2ND QTRS
- INVENTORY OF COMPUTER MONITORS
- SUNFLOWER SERVER MOVE UPDATE DATES
- NEW FORM

Action Items:

1. Judy said that she will approach AGO about getting the lease determination information, but she requests the aid of the Line Offices in identifying the leased equipment in their organizations.
2. Judy called for volunteers to participate in a workgroup to review the deadlines for entering non-Financial assets into Sunflower, including the accessibility of bankcard purchase information and the impact that this has on the submission of assets into Sunflower.
3. Candi pointed out that the third field in the object class code will convey the identity of leased property if it has the value of “10” and requested a report from Sunflower for assets with object codes matching that value. Judy agreed that this can be done.
4. Carla asked if it would be helpful to distribute the list of 4,207 monitors with errors. This was done three weeks ago and Obadiah will send it out again today.
5. The new Board of Review procedures and checklist will be posted to the web site shortly. The web site products will include an editable pdf form and the Line Office personnel can tweak the format to fit their purposes.
6. Concern was expressed about the many different versions of the way that monitor manufacturers are listing in Sunflower. Judy offered that Joy was going to be meeting with Lana and would raise the issue of catalog clean-up.

Meeting Minutes:

Judy Mickens, Branch Chief, Personal Property Branch, opened the meeting. She reminded the attendees that, due to the server migration, the DOC Sunflower PPMS will be unavailable beginning Thursday, May 6, 2010 at 7:00 p.m. Eastern time until Tuesday, May 11, 2010 at 8:00 a.m. Eastern time.

FY 2010 Pre-audit Testing Results

PPMB/Cotton & Company conducted an internal audit of the second quarter capitalized assets additions and adjustments. The results of their tests were that 15 out of 19 additions in one sampling were not processed in a timely manner. Judy expressed concern that such results will result in the failure of the audit.

Timely processing is measured as the time it takes the Line Office to provide PPMB with documentation from the acquisition date; current policy for CWIP assets is 90 days from the acquisition date.

PPMB is to process CWIP assets into Sunflower with 30 days of receiving the supporting documentation from Line Office. Non-CWIP assets are to be added to Sunflower within 30 days from the acquisition date.

A question was raised as to the time frame within which non-capitalized items should be entered into Sunflower; the 30 days differs from the web site which dictates 15 days from acquisition. PPMB recognizes that there is general difficulty meeting the 15-day deadline dictated by the web site and that policy may need to be reviewed.

The group discussed the impact of using different deadlines and the difficulty created by the delay in getting procurement documentation from bank statements. Judy called for volunteers to participate in a workgroup to review the deadlines for entering non-Financial assets into Sunflower, including the accessibility of bankcard purchase information and the impact that this has on the submission of assets into Sunflower. There may need to be some training materials developed to show folks how to access the available information.

FY 2010 A-123 AUDIT TESTING RESULTS

A slide was presented which showed the distribution of the A-123 audit samples among the Line Offices. In Phase II, all supporting documentation was available (electronic or hard copy) and provided to A-123 auditor. PPMB could receive potential audit findings for the Phase I from the A-123 auditor because inadequate supporting documentation was available for accountable asset additions and untimely process for accountable asset deletions. PPMB is following up on the details of findings. PPMB has just received the details from the findings and is of the opinion that some of the findings can be contested.

Judy had planned to review the findings with problems with the Line Office personnel, but offered to share any findings that the Line Offices wish to see as soon as it is available. Cotton and Co. are going to review the detailed findings first to be able to respond to Brandon, and then PPMB will review the results with the Line Offices.

The importance of Property Management and the Conduct of Audits

Mary Ann Whitmeyer presented a brief summary of why Property is important. The Department of Commerce is required to produce an annual financial statement which includes a statement of Property Plant and Equipment. That number is significant and NOAA's portion is 85% of that figure.

To ensure the accuracy of the numbers in the Financial statement, audits are constantly being conducted. There are two different types of audits:

1. The OMB-123 audit tests the internal controls and is conducted by internal auditors. This process generally begins in January.
2. The Financial audit validates the information displayed on the Department of Commerce's balance sheet. It is conducted by external auditors and the any shortcomings result in significant consequences. The samples are pulled in June and July.

Auditors take samples of all the property and transactions that are recorded and request supporting documentation. They review the documentation to test whether that documentation is complete, whether the recorded information accurately reflects that information and whether the information was recorded in a timely manner.

The most consistent problem NOAA has had is the issue of timely recording Financial transactions. It's important to have clear, reasonable policy for the timely addition or removal of financial assets from the asset system because the auditors will test the records to those standards.

It is important that the Line Office personnel review the report of open CWIP projects to ensure that the dates are accurate and also to monitor the disposal of Financial assets to ensure that complete documentation is provided in a timely manner. Timely, well documented transactions will prevent idle gear from accumulating in storage closets.

Some other issues that the audit will test are:

1. Heritage Assets are being properly identified and recorded.
2. Loaned items are identified. PPMB is required to have a centralized database of loaned items. That can be done through Sunflower if the information is provided by the Line Offices.

3. Assets acquired through leases or acquired through contracts as Government Furnished Equipment (GFE) are properly identified.

Jan raised a question about lease payments showing up on the UPR.

Assets valued greater than \$5K that NOAA acquires for more than six months through an operating lease should be barcoded and added to the Sunflower System. Those parameters are defined when a lease determination is done by Acquisition, even if the value of leased property is under \$200K. If assets are returned to the vendor at the end of the lease, the assets would be retired in the Sunflower system.

Judy stated that there was a need for the Line Offices to inform PPMB of any leases that meet the threshold for accountable property. There are too few items recorded in Sunflower as leased property, so she is going to circulate a memo to identify the criteria for leased items to be recorded in Sunflower and request that the Line Offices identify the items in their possession which need to be added.

Carol Ciufolo suggested that Finance should have identified the accountable property because they had to review that information when they generated a lease determination during acquisition and they copied PPMB on the results. Judy replied that the Line Offices should have a copy of the lease determination and since the property is under the control of the Line Offices it is their responsibility to enter the asset into Sunflower. Going forward, the information from Finance can be used by PPMB to identify leased assets, but there are many items in the field at this time which are not barcoded and an effort needs to be made to pick them up at this time.

Candi Myers asked how the PMs are to know whether or what leased equipment is in use in their organizations...what information is available to identify them? Understanding that there is a general difficulty in getting information from AGO at this time, Judy is asking the PMs to make an effort to identify the leased equipment in their organizations that satisfy the threshold for addition to Sunflower. Carol responded that the information available when the lease determination is made will not be available to the PMs to be able to qualify the equipment as accountable. Judy said that she will approach AGO about getting the lease determination information, but she requests the aid of the Line Offices in identifying the leased equipment in their organizations.

Candi pointed out that the third field in the object class code will convey the identity of leased property if it has the value of "10" and requested a report from Sunflower for assets with object codes matching that value. Judy agreed that this can be done.

PMO CALENDAR

This calendar will soon be posted on the Property web site. It will not be circulated to the PMs before it is posted. Please notify PPMB if anyone sees that any updates should be made to the calendar.

OPEN CWIP PROJECTS

This listing has been revised through the efforts made by Activity Managers. It identifies issues that involve Personal Property, as distinct from the issues that need to be directed to Finance or other organizations.

It was decided, through discussion and vote, that the lists should be distributed to the Activity Managers with a copy to the Property Manager. The list of Activity Managers comes from the 306b Report, which lists all open CWIP activities, and the projects include only those who have an ending date during this fiscal year.

A question of oversight was raised. If Property is asking the Activity Manager about their plans for the project, are the same questions being raised by Finance when they are periodically reconciling the project ...especially pertaining to completion date? If Real Property is also asking for project activity data, how many organizations does the PM have to respond to?

Candi said that it is the Line Office's responsibility to pull and verify the Activity Data monthly. If the Line Office does that on a timely basis, the information will be available to support Property's efforts.

Judy replied that her office is being held accountable by the auditors to have the information on a timely basis and it has not been available when needed. If the Line Office personnel can keep the 306b report updated on a timely basis, it should be sufficient for Property's purposes.

BUBBLE CHART – DEPARTMENT OF COMMERCE

All Line Offices have responded with something concerning the elements. NOAA has also impaneled the Property Boards of Review.

As an alternative to the on-line Sunflower and Ethics training, NPMA courses can now be used to satisfy the eight hours annual training requirements for PCs. PPMB is in the process of developing some a 3-hour on-line training course; it has been submitted for approval. The department has also added a 40-hour training package, of which eight hours can be taken to satisfy the training requirements. Property simply needs a certificate from the course that identifies the Property training and number of hours.

UPR

The UPR looks good and reflects the hard work being done.

CAPITALIZED ASSETS TO BE DISPOSED

This slide is intended to provide visibility to the Financial Assets being disposed to ensure they get processed in a timely manner.

CAPITALIZED ASSETS IDENTIFIED FOR THE BOARD OF REVIEW

This slide is intended to provide visibility to the Financial Assets going to the Board of Review to ensure they get processed in a timely manner. The new procedures and checklist will be posted to the web site shortly. The web site products will include an editable pdf form and the Line Office personnel can tweak the format to fit their purposes.

The question was asked concerning the process to nominate members of the BOR. Members are nominated by Line Office property personnel.

ADDS EDITS INTERFACE PROCESSING TIME

Average processing times were excellent during the last month.

PHYSICAL INVENTORY – 1ST and 2ND QTRs

All inventories should be submitted by 11 June.

The letters for the capitalized inventory went out 5 May. A question was asked regarding why the Capitalized inventory was separate from the annual inventory and why it is not conducted at the same time. The reason it is conducted separately is to give it the required visibility. The reason it is conducted in May is that we want to have refreshed data for the Financial audit.

INVENTORY OF COMPUTER MONITORS

Total Monitors in Sunflower: 24,004

Total Number of Errors: 4,207

Total Monitors Ready to Process into Sunflower: 1,534 after the migration

If monitors have been submitted on the spreadsheet submissions (especially if they are on the error report), do not enter them as ‘found’ property during the inventory. If the monitor has not been submitted through a spreadsheet, add the monitor as “found” property.

Carla asked if it would be helpful to distribute the list of 4,207 monitors with errors. This was done three weeks ago and Obadiah will send it out again today.

Concern was expressed about the many different versions of the way that monitor manufacturers are listing in Sunflower. Judy offered that Joy was going to be meeting with Lana and would raise the issue of catalog clean-up.

SUNFLOWER SERVER MOVE UPDATE DATES

The Sunflower Personal Property Management System will be unavailable beginning Thursday, May 6, 2010 at 7:00 p.m. Eastern time until Tuesday, May 11, 2010 at 8:00 a.m. Eastern time, due to the server migration.

NEW FORM

NOAA Form 37-509 is available at
<http://www.corporateservices.noaa.gov/~noaaforms/eforms/NF37-509.pdf>

Both CD-509 and NF 37-509 are acceptable for Capitalized Assets Transactions. Instructions are available.

If there are any suggestions on how to improve the form, please forward those suggestions to Judy. Joy suggested that users not keep the current version of that form on their desktop, in as much as improvements will be made and a fresh version should be downloaded from the website.

OTHER

The National Disposal Plan and a timeline for implementation are on hold until contractor support can be procured through AGO. Also on hold is the follow-up on the PM work groups until a facilitator can be brought under contract.

NEXT MEETING

The next meeting is scheduled for 11:00 on 3 June.