



Approved for Release  
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Date

NATIONAL OCEANIC AND ATMOSPHERIC ADMINISTRATION

OFFICE OF CHIEF ADMINISTRATION OFFICER  
REAL PROPERTY, FACILITIES AND LOGISTICS OFFICE  
LOGISTICS OPERATIONS DIVISION  
PERSONAL PROPERTY MANAGEMENT BRANCH

PROPERTY BULLETIN #006, FY 2011

**SUBJECT:** Guidance on Establishing Parent-Child Relationship in Sunflower

**EFFECTIVE DATE:** March 24, 2011

**EXPIRATION DATE:** Effective until canceled or superseded

**SUPERSEDES:** Not Applicable

**BACKGROUND:** The parent-child asset relationship in Sunflower is a mechanism that links a generally capitalized main asset (parent) with its integral or non-integral component asset (child). This relationship can be applied to both constructed and non-constructed assets. Construction Work-In-Progress (CWIP) Policies and Procedures provide guidance on determining integral and non-integral components of CWIP activities. The NOAA Property Management Officer (PMO) has determined that additional guidance is needed to establish procedure for recording parent and child assets in personal property management system, Sunflower.

**PURPOSE:** The purpose of this bulletin is to provide clear guidance to the Line, Staff and Corporate Offices (L/S/CO) on identifying, recording, and tracking components of personal property assets using the parent-child relationship within Sunflower.

**PROCEDURES:** The main asset and each component should be bar-coded and recorded in Sunflower. The L/S/CO are responsible for recording the main asset and its component(s) in Sunflower in accordance with the Personal Property Management Branch's (PPMB) requirements. It should be noted that child assets can be entered into Sunflower prior to the parent asset being ready for entry into Sunflower.

Once the main asset is recorded in Sunflower, the L/S/CO determines the parent-child relationship with the component assets based on CWIP polices for integral and non-integral assets. This information is then provided to the respective Line Office representative within PPMB. Upon receipt of supporting documentation for the assets, as well as the parent-child relationship

determination, the Line Office representative verifies that the parent and child assets are accurately recorded in Sunflower and establishes the relationship accordingly.

The table below provides guidance for establishing the parent-child relationship based on the L/S/CO determination.

If the L/S/CO determines that:	Then PPMB verifies that:
<p><b>A component of the main asset is integral to the main asset.</b></p>	<p>The component is recorded as an inventory asset in Sunflower and denoted as a child asset to the main or parent asset.</p> <p>The acquisition cost of the component or child asset is included in the acquisition cost of the main or parent asset.</p>
<p><b>A component of the main asset is non-integral to the main asset and meets the capitalization criteria.</b></p>	<p>The component is recorded as an inventory and financial asset in Sunflower and denoted as a child asset to the main or parent asset.</p> <p>The child asset is capitalized and depreciated based on its own acquisition cost, acceptance date, useful life, and accounting codes.</p> <p>The acquisition cost of the component or child asset is <u>not</u> included in the main or parent asset.</p>
<p><b>A component of the main asset is non-integral to the main asset and does not meet the capitalization criteria.</b></p>	<p>The component is recorded as an inventory asset in Sunflower and denoted as a child asset to the main or parent asset.</p> <p>The acquisition cost of the component or child asset is <u>not</u> included in the acquisition cost of the main or parent asset.</p>

Once a parent-child relationship has been established in Sunflower, only the respective Line Office representative can approve changes after thoroughly analyzing the financial impact.

When the parent asset is ready to be disposed of, the L/S/CO should inform PPMB whether the child assets are to be disposed of as well.

**REFERENCES:** Construction Work-in-Progress Policies and Procedures – Section 6.2 Integral vs. Non-Integral Property and Equipment, and Figure 2, Decision Tree - Integral vs. Non-Integral.

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