



Bulletin: OCFO 17-05

Date: February 23, 2017

To: USDA Agencies

Subject: Reviewing and Tracking Property, Plant, and Equipment Work in Progress

OCFO
BULLETIN

PURPOSE

The purpose of this bulletin is provide guidance to USDA agencies for reviewing and tracking any property, plant, and equipment (PP&E) Work in Progress (WIP).

DEFINITIONS

General PP&E: Any property, plant, and equipment (PP&E) used in providing goods or services and includes, among other types of PP&E, multi-use heritage assets, capitalized improvements to stewardship land, and construction work-in-progress. PP&E includes land and land rights that are acquired for or in connection with items of general PP&E used to provide government services or goods.

Internal-Use Software: Software that is purchased from commercial vendors “off-the shelf,” internally developed, or contractor-developed solely to meet the entity’s internal or operational needs.

BACKGROUND

In FY 2014, a joint effort by the Office of the Chief Financial Officer (OCFO) Accounting Policy and Consolidated Reporting Division (APCRD) and the Controller’s Operation Division (COD) Property Accounting Section was initiated to improve the financial health of PP&E and eliminate potential audit issues. WIP general ledger balances by agency were extracted from the Financial Statement Data Warehouse (FSDW) reporting center and a template was used to facilitate uniform reporting on a quarterly basis.

As part of its WIP review in FY 2016, the Office of Inspector General (OIG) noted certain real and personal property was misclassified, i.e. WIP that should have been moved to general PP&E and depreciated or amortized accordingly.

To provide oversight to ensure that property is classified properly, including WIP, this bulletin makes agency review of WIP permanent and increases frequency to monthly.



POLICY

Agencies will provide monthly status updates to the OCFO on all WIP projects in both United States Standard General Ledger (USSGL) 172000 (Construction-in-Progress) and USSGL 183200 (Internal-Use Software in Development).

RESPONSIBILITIES

Agencies are responsible for correctly accounting for all WIP, providing completed monthly status templates, and making the necessary adjustments as needed.

OCFO is responsible for providing detailed information to agencies, assisting with accounting adjustments, and confirming that each USDA organization tracks and records all costs associated with WIP properly.

PROCEDURES

- a. At the beginning of the month*, APCRD will provide the agencies via the Coordinating Committee email:
 - 1) The USSGL 172000 and SGL 183200 balances as reported in the FSDW
 - 2) The blank status template that needs to be completed including the project description, Work Breakdown Structure (WBS), USSGL Balance, start date, status, and additional comments
- b. Agencies will complete and submit the status templates to APCRD by the end of the month*.

* Only exception is during the month of September when APCRD will send templates out after the closing of period 13 and the agencies will submit by October 25th.
- c. Once all templates are received, The Property Accounting Section will:
 - 1) Confirm the FSDW Trial Balance for the General Ledger balances
 - 2) Run a Financial Management Modernization Initiative (FMMI) Query to verify the General Ledger balances
 - 3) Confirm that the Agency's Detailed Listing of WIP matches the General Ledger account balances
 - 4) Correspond with the agencies to confirm they will be posting the appropriate adjustments to reclassify USSGLs 172000/183200 in FMMI as necessary
- d. Provide OIG with templates as requested.



INQUIRIES

Any questions concerning this bulletin should be directed to Kevin Close at kevin.close@cfo.usda.gov or (202) 720-0990.

EFFECTIVE DATE

This bulletin is effective immediately.

/s/

LYNN MOANEY
Acting Chief Financial Officer

Attachments

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OCFO Bulletin 17-04, Reviewing and Tracking Property, Plant, and Equipment Work in Progress Template (Example)

ARS WIP GL BALANCES @ JUNE 30, 2016 PER FSDW REPORTING CENTER

PROJECT COUNT	REAL PROPERTY PROJECT DESCRIPTION	WBS	CPAIS-RP GL 1720 BALANCE	START DATE	STATUS	ADDITIONAL INFO AND COMMENTS
1	BUILDING ABC	AR.WP.XX.....	\$ 100,000.00	01-31-2011	WIP	PENDING COMPLETION 09/30/2016
2	FACILITY XYZ	AR.WP.FA...	\$ 200,000.00	01-31-2013	IN-SERVICE	COMPLETED 01/31/2016
3	RESEARCH LAB	AR.RL.XX...	\$ 300,000.00	N/A	ON HOLD	WAITING ON CONTRACTOR
			\$ 600,000.00			

PROJECT COUNT	PERSONAL PROPERTY PROJECT DESCRIPTION	WBS	IUS/IDS SOFTWARE SGL 1832	START DATE	STATUS	ADDITIONAL INFO AND COMMENTS
1	HYPERION	AR.SD.HY.....	\$ 100,000.00	01-31-2011	IN-SERVICE	
2	VIPER WEATHER FORECASTING	AR.SD.VW...	\$ 100,000.00	10-31-2010	ABANDONED	SHOULD BE WRITTEN-OFF
3	NOT APPLICABLE	N/A	\$ 5,000.00	N/A	GL POSTING ERROR	SHOULD BE WRITTEN-OFF
			\$ 205,000.00			