

LESSON 12: Managing Project Systems



Lesson 12 Learning Objectives



- Open completion of this lesson, you should be able to:
 - Understand the management of project related PO's
 - Understand the use of different types of Work Breakdown Structures (WBS) and how they may affect AuC (CIP) periodic settlement
 - Understand the Final Settlement process

^{*} AuC = Asset Under Construction

Project System Procurement



Purchase Orders

- Any PO results in commitment to WBS (Review report CJI5 for commitments and CJI3 for Actuals)
- When you clean up your POs at year-end, be sure to address those for projects, also.



Parking WBS



- The parking WBS is used only for temporary project cost capture, the ultimate classification of expenditures in a parking WBS have not been determined.
- A parking WBS can be identified by a "Z" in the final five characters. Ex. C.A400.0001.BZ000 with priority field having value "R."
- A parking WBS will not be settled at period end or project close.
- All parking WBS should be reviewed periodically to determine appropriate posting or possible reclass.
- WBS.
 Use FV50 to reclass costs from a parking WBS to a capital WBS.
- Besides being used for temporary cost capture, a parking WBS is also used for Revenue (if any) and cash posting if Cash tracking by Project is required.

Expense, Capital, Pass Through WBS



- Expense Projects starting with identifier "E" is used to capture expenditures that will not be settled to an AUC and ultimately will not settle to a capital asset. Ex. E.A200.0001.AB000.
- Pass through Projects starting with identifier "P" is used to capture expenditures that will not be settled to an AUC and ultimately will not settle to a capital asset. Ex.
 P.A200.0001.AB000. The difference between this and Expense projects is that the Pass Through has assets captured in separate books and not in the SCEIS system.
- Capital Projects starting with identifier "C" is used to capture expenditures that will be settled to an AUC and ultimately will settle to a capital asset. Ex. C.A200.0001.AB000 with no value for Priority field.

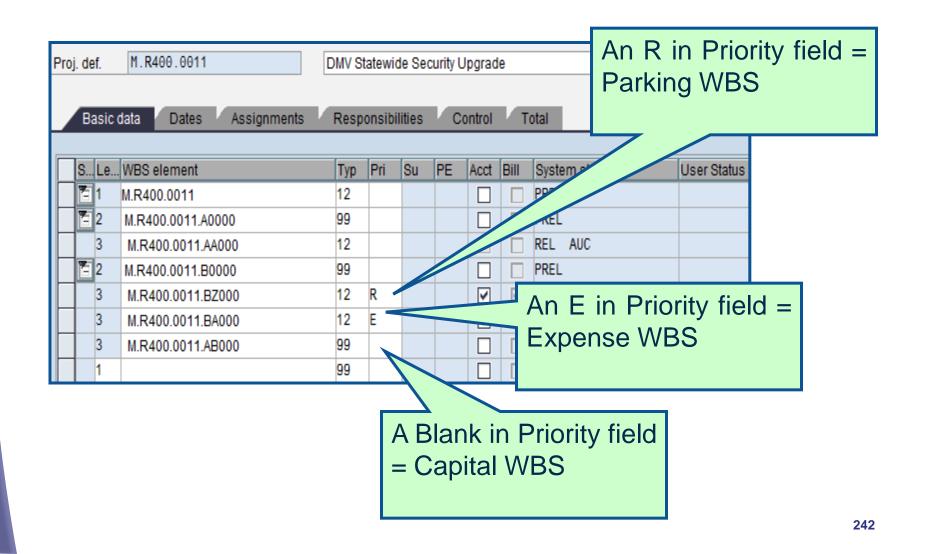
Mixed Projects



- Projects that begin with the identifier M for Mixed Projects, can have WBS that are designated as an Expense, Parking or a Capital WBS in their data structure. This is determined by the Priority field.
- The decision making process of whether a WBS should be capital or expense happens at the time of WBS Release

Project – Typical M Project with Different Types of WBS





Period End Settlement



- @ Executed by SCEIS centrally every period end.
- Costs move from project to AuC (CIP), so expense is not overstated..
- Period end settlement is where capital WBS are relieved of their cost and AuC gets the posting.

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Capitalization to an Asset



- The Final Settlement process will be executed centrally by the SCEIS team for FY2010.
- Agencies must notify the SCEIS team of any projects that are complete and a settlement to an asset is required.

Capitalization to an Asset cont.



- Prior to capitalization of any project, agencies should review all expenditures in the expense WBS to determine if any should be capitalized. If so, move to a capital WBS.
- Parking WBS should be reviewed to determine if any parked expenditures should be capitalized.

Lesson 12 Summary



- You should now be able to:
 - Understand the management of project related PO's
 - Understand the use of different types of WBS and how they may affect AuC (CIP) periodic settlement
 - Understand the Final Settlement process