

Headquarters

Washington, DC 20546-0001



January 9, 2006

Reply to Attn of:

Facilities Engineering and Real Property Division

TO: Distribution

FROM: Director, Facilities Engineering and Real Property Division

SUBJECT: Real Property Asset Management Interim Policy

In response to the recommendation contained in the fiscal year 2005 Ernst and Young auditor's report on internal controls, NASA is fundamentally changing the process for capitalizing real property. Real Property capital assets consist of land and rights therein, ground improvements, utility systems, buildings and structures.

Our response to this requirement is to provide the enclosed new policy for managing and accounting for NASA Real Property. This policy applies to all entities involved in the accountability for or occupying NASA Real Property. This document will be incorporated into NASA Procedural Requirements 8800.15A, Real Estate Management Program Implementation Manual and Facility Project Implementation Guide 8820.2E. The proponent of this document is the Director, Facilities Engineering and Real Property Division NASA Headquarters. Users of this policy guidance are invited to send comments and suggested improvements directly to Facilities Engineering and Real Property Division, NASA Headquarters, Suite 5H79, Washington, DC, 20546-0001.

A handwritten signature in black ink, appearing to read "James Wright".

James Wright

Enclosure

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STANDARD OPERATING PROCEDURE

SUBJECT: Real Property Asset Management Interim Policy

NATIONAL AERONAUTICS AND SPACE ADMINISTRATION (NASA)

Real Property Asset Management Interim Policy

1. PURPOSE: To establish formal procedures and interim policy for management, reporting, and accountability of real property. Provides instruction for early identification and Agency coordination for accurate asset management reporting.
2. SCOPE: The procedures of this document are applicable to NASA Headquarters, NASA Centers, and NASA's Component Facilities.
3. OVERVIEW:
 - a. This interim policy provides implementation procedure's to track capitalized assets from inception of the project. It will provide for the accountability and management of NASA Real Property and will support clean audit results.
4. PROCESSES REQUIRED TO SUPPORT THE PLANNING, PROGRAMMING, BUDGETING AND EXECUTION (PPBE) PROCESS:
 - a. Capital improvement projects will be identified to the (OCFO) and the Real Property Accountable Officer (RPAO) by the Project Manager at the time the project is initiated.
 - b. PPBE Process: Notification by Project Manager (PM) to OCFO and RPAO will take place during PPBE submittal. Ensuring the accuracy, completeness, and timeliness of real property information.
 - c. Each proposed construction project will be supported by a NASA Form (NF) 1509 prepared by the PM at inception of the project and submitted to OCFO and RPAO.
5. OTHER THAN PPBE PROCESS:
 - a. This refers to routine Corporate Management and Operations (CMAO) projects, \$500K and below and proposed out of the PPBE cycle construction projects, i.e., Operating Plan Change, 500K and above or Minor Project changes. These projects will be supported by a NF1509 prepared by the PM and submitted to OCFO and RPAO. This is in addition to those offices currently receiving the NF 1509.
6. IMPLEMENTATION:
 - a. PM will involve all stakeholders in the Pre-NF 1509 process, Pre-Project Planning.
 - b. OCFO will be invited to the Facility Utilization Review Board (FURB) and other project Planning meetings

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- c. PM will notify OCFO, RPAO (via NF 1509) detailing approved projects.
- d. Construction of Facilities (COF) Management Course will identify process and changes for the NF 1046, NF 1509 and NF 1510

7. NF 1046A VERIFICATION PROCESS:

- a. PM is responsible for completing the NF 1046A (or whoever is transferring/ accepting) Notification of Real Property Transfer.
- b. PM will verify and research all costs (actual, schedule of value, classification codes, source documents) in support of dollar value. PM will work with the Contracting Officer for review and concurrence of the NF1046A.
- c. Contracting Officer will forward NF 1046A to RPAO
- d. RPAO will review, validate, and make necessary corrections and approval for submission to the OCFO. The RPAO will update the Real Property Inventory (RPI) Data Base on quantitative, monetary and classification code data input.
- e. RPAO will utilize Facilities Engineering and Real Property approved automated system to maintain official records databases.
- f. OCFO will reconcile the RPI increase/decrease against voucher and make data entry into Core Financial Management System/Systems, Applications and Products.
- g. RPAO will maintain voucher register of all vouchers, detailing acquisitions, capital improvements, disposals, capital decreases, area/capacity changes, and category code changes pertaining to real property accountability at NASA Centers and Component Installations.

8. PROCESS NOTIFICATION:

- a. PM and Contracting Officers will notify RPAO when project is complete for coordination of NF 1046/Beneficial Occupancy.
- b. Formal Notification: Operations Officer will provide written notification to the OCFO through the RPAO that Beneficial Occupancy has occurred.

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- c. When the actual/final cost of construction is ascertained the PM will furnish a final cost of construction report/voucher for payment to the RPAO.
- d. Repair projects are not a capital improvement to a facility, and will not be capitalized unless it is considered to extend the useful life of the facility as determined by the PM, at which time it will be reported to the RPAO.