

Policy Name: CONSTRUCTION PROJECT COMPLETION AND CLOSEOUT		
Effective Date: 10/1/2014	Revision Date: 12/4/2015	Department/Area/Division: CPP/BA/FA
Department/Area Policy #: BACPP-1		Departmental Contact: Christina Mullis, Director of Process Review and Financial Compliance

Purpose:

The purpose of this policy is to provide additional guidance and procedures for the closeout and completion of construction projects.

Policy Statement:

It is intended that this policy ensure construction projects are financially closed in a timely manner upon substantial completion, at which time the work or building can be occupied or used for its intended purpose.

Closeout meetings are held with Contract Administration and Construction Administration once projects reach 95% completion. A Certificate of Substantial Completion (COSC) is issued by the Architect/Contractor when the work outlined within the contract documents is deemed sufficiently complete. The COSC is signed by the Architect, Contractor, Project Manager, Program Manager and designated key person assigned by the University.

Policy:

Notification of the signed COSC will be forwarded to Business Administration for Construction and Physical Plant (BACPP). Upon receipt of the COSC (final one if multiple bid packages) the Project Manager will update the University’s work order maintenance system, AiM, with the COSC date. The department of Financial Accounting and Reporting (FAR) periodically pulls this information and updates the termination date and expenditure end date into Banner. At this time, the budget and any projected cost items should be reviewed carefully. The termination date will be set at 90 days after the date of substantial completion. Banner activity will be suspended at this date and only the Project Accountant, with approval of BACPP Executive Director or Assistant Director, or FAR may enter any activity through the expenditure end date, which will be set at an additional 60 days past the termination date. Such activity may consist of retainage, final architect draw, pending change orders, and any other activity necessary for completion of the project.

Retainage is withheld from each pay application and cannot be released to the contractor until the closeout meeting is held and all required documentation has been received by Construction Administration. The Project Accountant stamps all logs as paid in full once final payment has been made.

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Process:

Upon final completion of a project, a Closeout PAF (paper or ePAF) is received by BACPP from Construction Administration. The Project Accountant then:

1. Confirms with Project Manager that all encumbrances can be released. Verifies all construction material summaries, contractor’s pay requests, and Architect/Engineer billings have been submitted for final payment.
2. Confirms all contracts are closed out, final bills paid and encumbrances have been released.

The Project Accountant then submits the Closeout to the BACPP Executive Director or Assistant Director who signs and dates the paper form (or completes the ePAF process) once the following steps have been completed:

Performed by PA:

1. Input journal entry if necessary for closeout. Check and update contingency log. Check Banner for accuracy.

Performed by BACPP Executive Director or Assistant Director:

2. Identify original funding source and determine amount refunded, if any.
3. Scan paper or email ePAF link to Project Manager, Project Accountant, Financial Accounting and Reporting, Construction Administration, BACPP Sr. Project Accountant and Process Review and Financial Compliance.
 - a. Include the following information: Project #, PIR #, Amount returned.
4. Give original (paper form) to Project Accountant. Maintain a scanned copy for file.

The PA then removes the project from active status and lists as a closed project in Estus/AIM. Any physical hard copies of project documentation is stored in a numbered box and held in storage for a minimum of seven years (or longer depending on retention regulations as required by state or federal authorities).

Definitions:

Certificate of Substantial Completion – certificate recommended by architect and signed by contracting parties indicating designated Work is sufficiently complete, in accordance with the Contract Documents, such that the Owner may occupy or utilize the Work for its intended use without disruption or interference by the Contractor in completing or correcting any remaining unfinished work

Closeout PAF – final Project Approval Form specifically identified as closeout or last revision and indicated as such on the face of the document

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Retainage – a portion of the agreed upon contract price withheld from payment until the work is considered substantially complete

The Work – all work the contractor was hired to perform

Other Department and/or Divisions:

Construction Administration
 Financial Accounting and Reporting
 Procurement Services
 Contract Administration

Office of the Vice President of Financial Affairs:

Approved by: Duna Skeith

Date: December 4, 2015