

## APPENDIX M: PROJECT CLOSEOUT

State administrative regulations require that all projects financed with state bonds comply with Project Closeout procedures. The Chancellor's Office last issued Project Closeout procedures in a December 2008 memo. This communication supersedes the December 2008 memo and revises the Project Closeout procedures in response to communications received from the Office of State Audits and Evaluations at the Department of Finance (DOF) regarding the 2009 audits of state funded projects.

The Project Closeout procedures on state funded projects continue to be administered through the FUSION system. The main objectives of the closeout procedures are to ensure the following:

- 1) The project is complete *with all state funds claimed* and all disputes regarding project costs, if any, resolved;
- 2) The project scope is consistent with that approved by the Department of Finance and the Legislature;
- 3) FUSION has been updated to show *final* Project Costs per the JCAF 32 and final Quarterly Report;
- 4) The final JCAF31 in FUSION is consistent with the project as depicted in the district's certified Space Inventory; and
- 5) The district followed Public Contract laws and regulations in the construction of the project.

The procedures detailed below will ensure that projects are closed out in compliance with state requirements. Once projects have the appropriate closeout documentation, the projects can be removed from the FUSION Project module and the district's five year plans. ***All projects will remain in the FUSION Project module until all project closeout documentation as detailed below has been received by the Chancellor's Office.***

## CLOSEOUT PROCEDURES

There are two phases in the Project Closeout process involving two Change Requests in the FUSION Project module.

- 1) **Project “Online” Change Request:** Formal notification from the district that the facility is “Online” (i.e., occupied/in use) and the space created by the project, if any, included in the district’s Space Inventory.
- 2) **Project “Completed” Change Request:** Formal notification from the district that the project is “Completed,” i.e., all state funds have been claimed, all disputes resolved, and the district has received a “Certification & Close of File” letter on the project from the Division of the State Architect (DSA).

### Project “Online” Change Request

- Create a new change request in the FUSION PROJECT module.
- Designate project as “Online” by clicking the “Online” box in the project’s title screen.
- Revise the JCAF31 to reflect the final project space. This should be consistent with the project space entered into the district’s Space Inventory (note: this final JCAF31 will provide a record of the project space. FUSION will remove the space from the district’s 5-Year Plan when the Change Request is approved).
- Attach a side-by-side comparison of the project space as approved at Working Drawings and as entered into the JCAF31 and the district’s Space Inventory.
- Attach a copy of the Notice(s) of Completion to the Change Request.
- Submit the Change Request to the Facilities Planning Unit (FPU) for approval.
- E-mail the district’s FPU Specialist to alert them that a Change Request is pending approval.

### Project “Completed” Change Request

The district cannot submit a Change Request in FUSION to show the project as “Completed” until:

- 1) Any costs in conflict between the district, state, and/or other parties have been resolved;
- 2) The district has finished its efforts to seek state reimbursement of expenditures from the state;
- 3) The project fiscal accounts at the state level can be closed and **any remaining funds can be reverted**; and
- 4) The district has received DSA's "Certification & Close of File" letter on the project.

**Project "Completed" Procedures:**

- Create a Change Request in the FUSION PROJECT module.
- Designate the project as "Completed" by clicking the "Completed" box in the project's title screen.
- Attach a letter on district letterhead to the Change Request certifying:
  - 1) the project is complete and all reimbursement claims are settled;
  - 2) the project was constructed as approved by DOF and the Legislature and as depicted in the district's certified Space Inventory Report (if applicable); and
  - 3) the district followed Public Contract law in the construction of the project.
- Revise the JCAF32 to reflect actual project costs (both state and local) and the actual project calendar.
- Complete the Final Quarterly Report for the project. The project costs should be consistent with the Final JCAF32.
- Check that the JCAF32 costs and the Quarterly Report costs are consistent with the Claims shown in FUSION.
- Attach the following PDF files to the Project "Completed" Change Request:
  - 1) DSA "Certification & Close of File" letter;
  - 2) DSA 6 forms (including: DSA6; DSA6 A/E; and DSA-168);
  - 3) Space Inventory Report 17 page(s) from the district's latest certified Space Inventory; and
  - 4) Final list of equipment purchased (for projects receiving release of equipment after 6/1/2012). Submit the change request to FPU for approval.

- E-mail the district's FPU Specialist to alert them that a Change Request is pending.

A sample Project Closeout package has been posted to the Chancellor's Office website (<http://extranet.cccco.edu/Divisions/FinanceFacilities/FacilitiesPlanning/ProjectCloseout.aspx>). The package includes an example of a project closeout letter, side-by-side comparison, and final equipment list as well as all the other forms previously discussed.