



Construction in Progress System Office Overview

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Construction in Progress (CIP) Policy

- Projects below \$4 million are considered minor and may be managed by the member
- Major projects between \$4 – 10 million may be administered by the members
- Major projects greater than \$10 million are managed by Facilities, Planning, and Construction (FP&C) team at the System Office
- A mix of debt funding and cash sources can be used for these projects



Minor Projects & Major Projects Managed by Member

- Members must coordinate with Treasury Services and place the project on the System Capital Plan
 - Program of Requirements (POR) or Statement of Work (SOW) is required before a major project can be included on the Capital Plan
 - Capital Plan is approved at the May BOR meeting in non-legislative years and at the August BOR meeting in legislative years
- Members decide the funding sources for construction projects
- Treasury Services will provide an estimated debt service schedule for the upcoming project



Projects Managed by the Member Using Debt Funds

- When appropriations are approved for minor projects or major projects managed by the member the below will occur:
 - System Office Records Due To and Transfer Out (accrual)
 - Member creates separate S/L accounts for each funding source to track all project expenses
 - **Debt funds cannot be co-mingled**
 - Member Records Due From and Transfer In (accrual) for debt
- On a monthly basis, the member will submit an equity transfer to SOBA for reimbursement
 - SOBA and the member will make entries to reduce the due to/due from
- Member determines when the project is substantially completed
 - Construction manager signs
 - CIP is converted to operational assets

Debt Management Policy



- Guidelines related to debt management can be found at the below links:
 - <https://www.tamus.edu/legal/policy/policy-and-regulation-library/>
 - <https://policies.tamus.edu/23-02.pdf>
- Members should review PUF debt expenses to confirm they are PUF-eligible
 - Contact Treasury Services for questions related to PUF eligibility
 - We are working with Treasury on the list of items; there have been questions on this topic over the last few months
- PUF Equipment allocations should be made at the beginning of each fiscal year
- Treasury Services tracks all expenses funded by debt

Major Projects Managed by System Office

- When approved by the Board or when a C-1 is issued for a major project managed by FP&C, System Office records appropriation and begins spending
- CIP is recorded on the System Office's AFR and the asset is transferred to the member when the project is substantially complete via C-30 process
- System Office Transfers Out CIP
- Member Transfers In CIP and converts to operational assets and begins depreciation or amortization
 - Members must use the correct date either substantial completion date or acceptance date
 - Depreciation/amortization must be analyzed to determine if it is material and would impact the prior year

System Office Administered Projects Using Cash Sources

- The pre-construction services (10% of project cost) is usually funded with cash sources provided by the member and may fund a portion of the construction
 - SOBA creates a project S/L to track expenses and records a Due From/Transfer In at the time of the appropriation
 - Member will record a Due to/Transfer Out at the time of the appropriation
 - On a monthly basis, SOBA runs a report for project expenses on the local S/L accounts and prepares an equity transfer to move the funds from the member to the System Office
 - SOBA and **the member** will record entries to reduce the due to/due from
 - Let us know if there are any questions

System Office Administered Projects Using Member Funds

- Some major construction projects are funded with member funds, such as General Revenue Provided for Specific Projects, Higher Education Fund (HEF), Available University (AUF,) federal funds – these must reside on the members books
- Funding sources with timing requirements have been used more frequently lately, please start the conversations with SOBA at the earliest possible time for coordination
 - Members should create a Plant account and use the same criteria SOBA uses for major construction project accounts, so they are reported correctly to construction reports
 - Reference Quick Reference Guide
 - AggieBuy routing



Quick Reference Guide Points

- Project account set up is initiated by a fully executed C-1 or certified BOR minute order (M/O)
 - Project accounts must not be co-mingled with non-major project activity
- Budget should only be established or reverted when the Chancellor or the BOR approves C-1s or M/Os
 - Date for entry must be the approval date: the date the Chancellor signed or the date of the board meeting where the item was approved
- The member will need to record the appropriation which is usually performed via DBR or screen 10 in the 8xxx code range
 - SOBA will utilize all CIP codes
- System Office of the Treasury will expect this to be completed 2-3 days after notification of C-1 or M/O
- Special funding requirements should be communicated to SOBA as early as possible
 - Our normal process is to use state/federal sources first; however, some funding requires splits or construction only (not soft construction costs)

Quick Reference Guide Points

- New account attributes are as follows:
 1. Year-End Process: P
 2. Department Primary: FAPC
 3. S-Department Primary: PROJ (1, 2, 3, 4) – need to work with SOBA to determine number
 4. Department Secondary: (member department) – not required, some members prefer
 5. Long Title: Member Name, Project Name, PRXX-XXXX (MUST BE CONSISTENT WITH OTHER ACCOUNTS ASSOCIATED WITH PROJECT NUMBER ON SCREEN 8)
 6. Gen Exp Budget: N
 7. Restricted: Y
 8. GCP/Constr. Proj: 000XXXX 01



F0013 Please enter desired modifications

006 SL 6 Digit Account (FSA)

04/03/26 11:04

FY 2026 CC 01

Screen: ___ Account: 807022 ___ TAMU LIB ARTS & HUMANITI PR02-3000

Panel: 01 More >>

Account Title: TAMU LIB ARTS & HUMANITI PR02-3000_ SA create enable: N SRS: N

Resp Person: 301006135 RAY, PHILLIP A

Old Acct: _____

ABR Rule: 800

Map Code: 80700

Reporting Group: ___

Covid: _

Bottom Line Cntl: Y

Deflt Cat Cntl: N

Deflt Cat Tol Pct: _____

AFR Fund Group: 80

Fund Group: PL

Sub Fund Group: UR

Sub-Sub: ___

Year-End Process: P

Year-End Acct: _____

Function: 40

Sub-Fun: 31

Default Bank: 05102

Override: Y

Proj FYTD End Mo: 08

Aux Code: ___

Alternate Banks: 0****

Security: _____

P-Card Bank: _____

State Funds: N

Appropriated: N

--SA Transactions--

CC	Dept	S-Dept	Exec	Div	Coll	Mail	Cd	Stmt
Primary:	FAPC_	PROJ3	CH	BA		C1586	N	
Secondary:	SOBA_	_____	CH	FO		C1170	Y	
Admin For:	_____	_____						
Center:	_____	_____						

Budget Actual

Primary:

FAPC_

PROJ3

CH

BA

C1586

N

Expense: N

N

Secondary:

SOBA_

CH

FO

C1170

Y

Revenue: N

N

Admin For: _____

Center: _____

TRS/ORP Exempt: _

Fund Source: 11 PUF COMMERCIAL PAPER TAXABLE_____

Account Letter: _

Long Title: TAMU LIBERAL ARTS & ARTS & HUMANITIES_____

Setup Dt: 04/29/2015

BUILDING PR02-3000_____

Iteration Dt: 08/08/2008

008 SL Attributes 2

04/03/26 11:06

FY 2026 CC 01

Screen: █ Account: 807022 TAMU LIB ARTS & HUMANITI PR02-3000 SRS: N

Element of Cost: ___ Sub-El: ___ Foreign Tvl: 2 Gen Exp Bud: N
 Effort Category: DOIA_ Foreign Per: _ Admin/Clerical: _
 Salary Sav. Dist: _____ Rev Pledged: _ Restricted: Y
 Fac Salary Sav. Dist: _____ Pyrl Acct Anal: 9999 Delg Type: _
 Fac Savings Form 500: _____ Int Exempt: _ Int Exe Reason: ___
 Grad Savings Form 500: _____ Interest Acct: _____
 ETravel Fee: _____
 USAS Cd: NA Obj Trans --- Subcode Edits ---
 Bond Issue: PUF FT___ Cat Type Low High Match
 Budget Sort: _____ Cost Ref 1: _ _ _ _ _
 Gift Fee Exempt: _ Cost Ref 2: _ _ _ _ _
 A/R Clerk Cd: ___ Cap. Campaign: - _ _ _ _
 GCP/Constr.Proj: 0003000 01 _ _ _ _ _
 Accountant Resp: 518006055 FRITSCH, VERNA L _ _ _ _ _
 Title to Equip: MAJOR CONSTRUCTION EXPENSES FOR THE_____
 Comments: LIBERAL ARTS AND ARTS AND HUMANITIES BLDG PR2-3000_____

C-30 Overview



- The current construction management software used by FP&C is e-Builder
- Substantial completion is tracked in e-Builder
- SOBA prepares Semi-Final C-30s at substantial completion and anytime thereafter, and the final C-30 is prepared when the project is closed out completely
 - C-30s are cumulative
- Construction reports from business objects are used to determine project funding and CIP costs
- SOBA prepares workpaper, reconciles C-30 to SO's FFX, and reconciles the general contractor's (GC) schedule of values (SOV) to the construction reports
- SOBA componentizes the building, facilities, and infrastructure based off of the GC's SOV and other project expenses

Movable Furnishings & Equipment

- SOBA sends moveable furnishing & equipment expense list along with invoices to the member to be analyzed individually
- Member will categorize all movable furnishings and equipment expenses by capitalized, controlled, expensed or cost added to building and send back to SOBA
- SOBA will incorporate member's categorization into C-30 and complete C-30



Completion of C-30

- C-30 packet is compiled and submitted to member's property managers for signatures with a copy to FMO capital assets group
 - This includes any CIP that may be on the members books. Members should not reclassify until SOBA has initiated C-30.
- CIP costs transferred upon receiving a signed copy from the members
- FMO will dispose of the asset(s) on SO's books and notify all parties
 - The member will need to accept the CIP transfer in FFX
- The member will reclassify the transferred CIP timely

Let's Review An Example

- Part 06-AgriLife Research
- PR06-3397-Animal Reproductive Biotechnology Center
- Semi-Final #1
- \$12,899,831.90
- See pdf File



Questions



Contact Information

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