CIP CLOSINGS AND RECLASSIFICATION
FIXED ASSET WORKSHOP 2018

Purpose: Procedure for the reclassification of Construction in Progress (CIP) cost to assets as indicated by C-30’s received from Facilities, Planning, & Construction or other construction completion documents.

Scope: Closing CIP begins when C-30 is received. This procedure details the entries to be made in FAMIS to correctly move construction cost booked as non-depreciable Construction In Progress assets to actual assets.

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## Process Narrative—Construction in Progress Closing and Reclassification

### 1.0 Receive C-30 from System Office or other construction completion document

### 2.0 Review and Reconcile Closing—Determine that the C-30 total is in balance with the cost to be transferred from the System Office and any cost in member CIP assets for the project.

2.1 Determine if agency has project assets (cost that was incurred on agency account—not CC01), if any. If not included in semi-finals should be in final closing.

2.2 The first page of the C-30 may have a category listed as, **Improvements demolished during construction and removed or to be removed from inventory**. This is separate from the total project cost as seen in category 3, and the disposal will be D/DD (account control 5410) or for Real Property, D/DR (account control 5407), to the assets listed.

2.3 Any semifinal’s (there may be more than one) that have been completed should be deducted from the final total on the C-30—these will also show on the Object Classification of Expense and Total Project Cost (project breakdown by class code).

2.3.1 Reversing entry from previous semi-final closing—The semi-final closings are estimates and sometimes more has been reclassified to an asset than is to be credited according to the final C-30. When this happens, the overage must be reversed and used correctly.

2.3.1.1 The credit for a current year transaction should be Credit A/RC (4410)

2.3.1.2 If the asset was disposed

| 2.3.1.2.1 | FFX screen 517—Undispose—will reinstate with A/AJ if disposed in a prior FY and if disposed in current FY will reverse the disposal method |
| 2.3.1.2.2 | Screen 515 will not allow transactions on assets with prior FY in-service dates without prior FY depreciation-use Screen 512 to change the depr thru date to month prior to the current month. Ex: current date is June 2, 2014—change depr thru date to 05/2014 |
| 2.3.1.2.3 | Redispose of asset reversing the method that undisposed it. Ex: Undisposed with A/AJ(4495) |

2.3.1.2.3.1 Screen 515—reverse remaining cost with Credit A/AJ(4495)

2.3.1.2.3.2 Screen 513 Dispose with AJ

2.4 (CC02 procedure) To close an unbalanced project requires approval of Property Manager and to close with greater than 1% requires approval of Financial Management Operations Director, include copy of memorandum with project closing documentation.

### 3.0 Build Pending Assets

#### First Closing-Semi Final or Final with Current FY Substantial Completion Date

3.1 First Closing-Semi Final or Final with Current FY Substantial Completion Date

3.1.1 Build assets using FFX screens 501-506. FFX Screen info may be seen in the *Fixed Assets User Manual* [http://www.tamus.edu/offices/famis/usermanuals/](http://www.tamus.edu/offices/famis/usermanuals/).

3.1.1.1 Acquisition method RC-Reclassify from CIP (account control 4410)

3.1.1.2 Beneficial Occupancy/In-Service as the Acquisition and In-Service dates

3.1.1.3 Class code stated on C-30

3.1.1.4 Cost as stated on C-30

3.1.1.5 See 4.0 Expensing cost and 5.0 Infrastructure and Facility and Other Improvements for additional information

3.1.2 Go to 6.0-Process CIP transfer and 7.0 CIP Reclass Batch Entries
3.2 First Closing-Semi Final or Final with Prior FY Substantial Completion Date

3.2.1 Build assets using FFX screens 501-506. FFX Screen info may be seen in the Fixed Assets User Manual http://www.tamus.edu/offices/famis/usermanuals/.

3.2.1.1 Acquisition and In-Service dates- 09/01/XX (current Fiscal Year). Will be corrected to the Substantial Completion or Beneficial Occupancy date stated on the C-30 after assets are approved-see 9.0.

3.2.1.2 Remaining Life on screen 502-use the remaining life that is determined when calculating depreciation that will be added

3.2.1.3 Acquisition method RC-Reclass from CIP(account control 4410)

3.2.1.4 Class code stated on C-30

3.2.1.5 Cost as stated on C-30

3.2.1.6 See 4.0 Expensing cost and 5.0 Infrastructure and Facility and Other Improvements for additional information

3.2.2 Calculate depreciation from in-service date to current date using appropriate spreadsheet (Equip or Bldg)

3.2.3 Go to 6.0-Process CIP transfer and 7.0 CIP Reclass Batch Entries

3.2.4 Go to 9.0-Complete prior FY date change process

3.3 Any C-30 after a Semi-Final will be Current FY acquisition date

Cost will be added as new components using the date of the signature accepting the transfer of CIP assets as the transaction date (regardless of the original in-service date of the project)

• Buildings should have new components on the same building asset number

• F&OI and Infrastructure should have new components on the current FY F&OI or Infrastructure assets.

3.3.1 Build assets using FFX screens 501-506. FFX Screen info may be seen in the Fixed Assets User Manual http://www.tamus.edu/offices/famis/usermanuals/.

3.3.1.1 Acquisition and In-Service dates- the date of the signature accepting the transfer of CIP assets as the transaction date (regardless of the original in-service date of the project).

3.3.1.2 Acquisition method RC-Reclass from CIP(account control 4410)

3.3.1.3 See 4.0 Expensing cost and 5.0 Infrastructure and Facility and Other Improvements for additional information

3.3.1.4 Class code stated on C-30

3.3.1.5 Cost as stated on C-30

3.3.1.6 Go to 6.0-Process CIP transfer and 7.0 CIP Reclass Batch Entries

4.0 Expensing Cost-Non-Inventory, Controlled Equipment, or Below Threshold

4.1 If cost will be expensed at the time the C-30 Closing is processed-Non-inventory furnishings and other cost that do not meet threshold should be reclassified to a capital asset with the Depreciation Indicator set to N and disposed with RD, account control 5410.

4.2 Controlled assets are considered expensed cost

4.2.1 Build and approve controlled assets to remain on inventory

4.2.2 Build and approve capital asset for total of controlled cost. Capital Indicator set to N and disposed with RD, account control 5410
5.0 Infrastructure and Facilities and Other Improvements Assets-Method for Capitalizing

(CC02 method) Each FY will have one asset for all Infrastructure and one asset for all F&OI. Each asset will be comprised of multiple components that will be Project/in-service/class code specific.

FY18 assets would be

- 1830008200-F&OI (last 4 digits of 8200 because all F&OI begins with 82XX)
- 1830008250-Infra (last 4 digits of 8250 because all Infra begins with 8250)

Example

<table>
<thead>
<tr>
<th>Asset Number</th>
<th>Co</th>
<th>Description</th>
<th>Class Code</th>
<th>In-Serv Date</th>
<th>Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>1830008250</td>
<td>01</td>
<td>UTIL U1610107759 ELECT DISTR</td>
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<td>12/08/2017</td>
<td>111,903.03</td>
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<tr>
<td>1830008250</td>
<td>03</td>
<td>FP&amp;C 02-3045 STREETS/ROADS</td>
<td>825003</td>
<td>12/08/2017</td>
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<tr>
<td>1830008250</td>
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<td>FP&amp;C 02-3045 ELECTRICAL DIST</td>
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<tr>
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<td>825035</td>
<td>09/12/2017</td>
<td>4,500.00</td>
</tr>
</tbody>
</table>

5.1 At fiscal year-end, asset/components that do not meet threshold as a whole are deleted with disposal code RD-CIP Reclass to Expense, account control 5410.

5.1.1 FFX screen 512-Reverse any accrued depreciation

5.1.2 FFX screen 515-reverse cost with Credit D/RD, account control 5410 (reversing cost to 0 will allow disposal of a depreciable asset with no accumulated depreciation)

5.1.3 FFX screen 513-dispose zero cost with AJ, account control 5495

6.0 Process Transfer of CIP Cost

CC02 Process—Before returning signed report to authorize CIP transfer

- Any issues are resolved
- All pending assets and components are built in FFX and total verified to project total
- Department to be responsible for any equipment assets is notified and provided serial numbers and locations
- Transaction spreadsheet is completed and balanced to project total

6.1 C-30 Project Close Report

6.1.1 Property Manager signs the report

6.1.2 Signed report returned to System office

6.1.3 System Office notifies that CIP asset have been transferred

6.2 Approve CIP transferred assets after System Office completes transfer (CC02 includes the transfer in the reclassification batch)

6.2.1 Modify pending asset

6.2.1.1 FFX screen 502-Must remain as copied from transferring agency-MAKE NO CHANGES

6.2.1.2 FFX screen 503-(CC02 method)PO Nbr: Project #, Vchr/Ref Nbr:P00XXXX (previously assigned)

6.2.1.3 FFX screen 505-Dept:Must have dept to approve asset
7.0 CIP Reclass FFX Entries
   7.1 FFX screen 510-FX Batch Initialize- Open batch
   7.2 FFX Screen 513-Disposal- Disposal Method for CIP assets - RC (account control 5447)
   7.3 FFX screen 511-Approval-Approve new assets or components with acquisition method Debit A/RC(account control 4410)
   7.4 FFX screen 512--Prior Depreciation--(if needed for prior FY acquisition date) Add calculated depreciation (account control 5650)
   7.5 FFX screen 513-Disposal -(if needed) Expensing Cost, non-inventory, controlled, or below threshold
   7.6 FFX screen 510-FX Batch Initialize-Close Batch

8.0 Verify Reclass Entries (CC02 procedure) RC disposals should be equal RC acquisitions when reclass entries are completed
   8.1 Download batch entries from Canopy
      8.1.1 Sort and total by reclass disposal and acquisition account controls to verify they are equal, account control 5447 and 4410 should net to zero
      8.1.2 Print and file with closing documentation
   8.2 FRS screen 80 after overnight feed of FFX entries
      8.2.1 Change to GL
      8.2.2 Account code 5447 and 4410 should net to $0

9.0 Prior FY Date Adjustments-after CIP closing entries are made
   9.1 Property Manager sets Flag to Y on FFX screen 598 SPA Edits Override Screen -(SPA edits override in FAMIS to allow prior FY dates to be entered)-Because FAMIS no longer feeds to SPA (as of beginning FY12) these edits are in place to prevent accidental approval of assets with prior FY in-service dates.  When this edit is lifted, any FAMIS user may enter or approve with a prior Fiscal Year date.  Is important to complete the transactions as quickly as possible and return to normal processing when complete, to minimize the risk associated with this SPA edit being lifted.)
   9.2 Change Acquisition and In Service dates in FFX- (FFX Screen info may be seen in the Fixed Assets User Manual http://www.tamus.edu/offices/famis/usermanuals/ )
      9.2.1 FFX screen 510-FX Batch Initialize- Open batch (For batch transaction totals, only entries on FFX screen 516 will count in Transaction totals with 0 Amount).
      9.2.2 FFX screen 502-Purchasing Vendor Data-Change Acquisition Date to correct date
      9.2.3 FFX Screen 516-Change in Estimate/Method/Account-Change In-Service Date to correct date
      9.2.4 FFX screen 510-FX Batch Initialize -Close Batch
   9.3 Date changes complete-Property Manager sets override to N on FFX Screen 598