

FAPC Construction Accounting Quick Reference

This document was created for a quick reference to help mitigate discrepancies in major construction accounting between SOBA and members.

SOBA Construction Accounting Contacts:

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Project Appropriations:

Construction over \$10 million is considered a major project and is managed by FAPC. Projects can be funded by debt or cash sources. Initially, 10% for preconstruction is appropriated by the BOR and later the additional 90% is appropriated for construction. There are times minor projects are managed by FAPC as well.

There are two ways that cash sources can be used:

1. A CC01 local account is established and are cost reimbursable by the member monthly through an equity transfer (ET) process, or
2. Cash is held on members' books (e.g. AUF, HEF, GR, Federal) and SOBA utilizes their account directly.

For cash held on members' books:

- 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 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 done via DBR or screen 10 in the 8000 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 spend should be communicated with 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).

System Office of the Treasury pulls construction reports from business objects that are queried by certain attributes. These attributes must be maintained throughout the project, consistent across all project accounts, and are vital for IRS reporting.

New account attributes are as followed:

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 but some prefer
5. Long Title: Member Name, Project Name, PRXX-XXXX (MUST BE CONSISTENT WITH OTHER ACCOUNTS ASSOCIATED WITH PROJECT NUMBER ON SCR. 8)
6. Gen Exp Budget: N
7. Restricted: Y
8. GCP/Constr. Proj: 000XXXX 01

For CC01 local account:

- SOBA will set up a local plant account.
- SOBA will record a due from/transfer from and member must record a due to/transfer to.
- SOBA will utilize local account in a specified order determined by Treasury and member.
- SOBA will prepare a monthly ET to route for prior month activity.

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- After execution of ET, SOBA will reduce the due from/transfer from and member must reduce their due to/transfer to.

Example of an CC01 Plant Account:

006 SL 6 Digit Account (FSA)	04/08/24 17:00	008 SL Attributes 2	04/08/24 17:00
Screen: █ Account: 807174 5650 TAMU BUSINESS EDUC COMPLX PR02-3279	FY 2024 CC 01	Screen: █ Account: 807174 5650 TAMU BUSINESS EDUC COMPLX PR02-3279	FY 2024 CC 01
Panel: 01 More >>		Panel: 01 More >>	
Account Title: TAMU BUSINESS EDUC COMPLX PR02-3279 SA create enable: N SRS: N		Element of Cost: Sub-El: Foreign Tvl: 2 Gen Exp Bud: N	
Resp Person: 301006135 RAY, PHILLIP A Old Acct:		Effort Category: DOIA Foreign Per: Admin/Clerical:	
ABR Rule: 002 Map Code: 00710 Reporting Group: Covid: -		Salary Sav. Dist: Rev Pledged: Restricted: Y	
Bottom Line Cntl: Y Deflt Cat Cntl: N Deflt Cat Tol Pct:		Fac Salary Sav. Dist: Pysl Acct Anal: 9999 Delg Type: C	
AFR Fund Group: 80 Fund Group: PL Sub Fund Group: UR Sub-Sub:		Fac Savings Form 500: Int Exempt: Int Exe Reason:	
Year-End Process: P Year-End Acct: Function: 40 Sub-Fun: 31		Grad Savings Form 500: Interest Acct:	
Default Bank: 05102 Override: Y Proj FYTD End Mo: 08 Aux Code:		ET Travel Fee:	
Alternate Banks: 0**** Security:		USAS Cd: Obj Trans Subcode Edits:	
P-Card Bank: State Funds: Appropriated: -SA Transactions--		Bond Issue: PUF CT Cat Type Low High Matc	
CC Dept S-Dept Exec Div Coll Mail Cd Stmt Budget Actual		Budget Sort: Cost Ref 1: Cost Ref 2:	
Primary: FAPC PROJ3 CH FO C1586 Y Expense: N N		Gift Fee Exempt: Cost Ref 2: Cap. Campaign:	
Secondary: SOBA CH FO C1170 Y Revenue: N N		A/R Clerk Cd: GCP/Constr.Proj: 0003279 01	
Admin For: Center: TRS/DRP Exempt: -		Accountant Resp: 702001680 POEHL, MONICA L	
Fund Source: 11 PUF DEBT PROCEEDS Account Letter: -		Title to Equip: Comments: TO RECORD EXPENSES FOR TAMU BUSINESS EDUCATION COMPLEX	
Long Title: TAMU BUSINESS EDUCATION COMPLEX Setup Dt: 08/16/2022		PR02-3279	
PR02-3279 Iteration Dt: 08/16/2022		Enter-PF1---PF2---PF3---PF4---PF5---PF6---PF7---PF8---PF9---PF10---PF11---PF12---	
Enter-PF1---PF2---PF3---PF4---PF5---PF6---PF7---PF8---PF9---PF10---PF11---PF12---		Hmenu Help EHelp Next CAcct CProj AResp Cmnt Left Right	

Project Reversions:

In some instances, at construction approval, the appropriated 10% for preconstruction is reverted back to the member once approval has been granted to fund project with debt. SOBA records the reversion from the CC01 local S/L account based on either a fully executed C-1 or a certified copy of a BOR minute order.

There are other times that a member would like to swap funding, the project is coming in under budget, or the scope was reduced, and reversions are processed prior to closeout.

Reversions are also completed for any funds that remain in the project at the time of closeout.

For cash held on members' books:

- Reduce budget to closeout account.

For CC01 local account:

- SOBA will process a budget entry to reduce budget in the project account and record a reduction in the due from/transfer from.
- Member will reduce the due to/transfer to and may move fund balance back to reserves or sources for other uses.

C-30s:

At substantial completion and the end of the project SOBA will process a C-30 to reclass all CIP. This includes any CIP that may be held on the member's books for a particular major project.

- All project costs will be analyzed and provided in appropriate categories for classification.
- FMO handles the CIP transfer for SOBA.

Please do not reclass without the initiation from SOBA.