

# **Business Process Guide Chapter 15 Reconcilation requirements**

Last Revised: 11/20/2019

**DRAFT** 

Table of Contents				
Intro	Introduction			
Busi	ness I	Process Workflow Diagram	2	
1.0	Сар	ital Project Fiscal Reconciliation by Project	3	
	1.1	Set up the report Finance Data Warehouse – Step 1.1	3	
	1.2	Funding (CPO/AO) Step 1.2	5	
	1.3	Five (5) year Capital Improvement Program (CIP) Steps 1.3	6	
APP	ENDI	X A: Name of Appendix	9	
REV	'ISION	N CONTROL	10	
Con	fidenti	ality Statement	10	
jd				

#### Introduction

The Chapter 15 Reconcilation requirements Business Process Guide provides an overview of the requirements need to comply with Chapter 15 standards.

#### **Related Documentation/Information**

In addition to this business process guide, users can review the following documents related to this process:

- Financial Services Training Library <a href="https://csyou.calstate.edu/Divisions-Orgs/bus-fin/Financial-Services/Training/">https://csyou.calstate.edu/Divisions-Orgs/bus-fin/Financial-Services/Training/</a> Search criteria: "chapter 15" or "capital"
- CDPC Fiscal Cash Management Site: <a href="https://csyou.calstate.edu/Divisions-Orgs/bus-fin/cpdc/CPDC-Executive/Pages/Capital-Projects-Cash-Management.aspx">https://csyou.calstate.edu/Divisions-Orgs/bus-fin/cpdc/CPDC-Executive/Pages/Capital-Projects-Cash-Management.aspx</a>
- Accounting and Reporting Legal Manual <a href="https://csyou.calstate.edu/Divisions-Orgs/bus-fin/Financial-Services/sfsr/Pages/Legal-Accounting-Manual.aspx">https://csyou.calstate.edu/Divisions-Orgs/bus-fin/Financial-Services/sfsr/Pages/Legal-Accounting-Manual.aspx</a>
  - 15: Capital Projects Funding for University Facilities (revised 2/8/19)
  - 17: Capital Projects Systemwide Revenue Bond (SRB) (revised 2/8/19)
  - 28: Capital Projects Capital Outlay (revised 3/28/18)
  - 22: Capital Projects Capital Lease Obligation and Debt

#### **Definitions**

The following (optional) icons may be used to draw attention to information in this guide:











Last Revised: 11/20/2019 Page 1 of 11

## **Business Process Workflow Diagram**

The following flowchart provides an overview of the steps contained in this guide. Numbers in the flowchart correspond to the major sections presented in this document.

TDB

Last Revised: 11/20/2019 Page 2 of 11

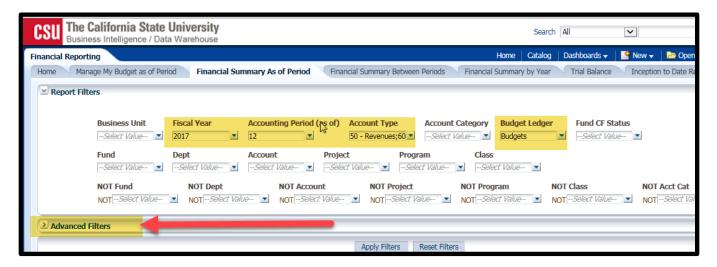
### 1.0 Capital Project Fiscal Reconciliation by Project

This guide will focus on the accounting and reporting requirements necessary to be in compliance with University Facilities reporting. As directed in chapter 15 of the accounting and reporting legal manual, campuses are to to reconcile on a quarterly basis to ensure that expenditures are recorded in the appropriate funding source and CPDC project attribute.

In addition, in order to meet various reporting deadline, campuses must insure compliance prior to the close of the second quarter (12/31) and must be included in the campus Q2 FIRMS submission.

## 1.1 Set up the report Finance Data Warehouse – Step 1.1

Navigation: > Financial Reporting > Financial Summary As of Period



#### **Report Filters:**

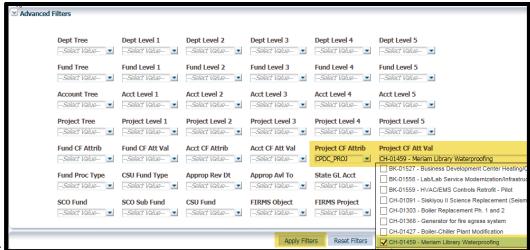
Business unit: Select the campus business unit.

**Fiscal Year and Period:** Period 6 = December and current year (CY) = the first year in the fiscal year. June 30th = 201912

**Account Type:** 50 and 60 only. Chapter 15 reporting includes recording transfers in with the project code. Account Type is helpful to limit to only expenses (60) and revenue (50). However, Chapter 15 requires transfers in (50) and out (60) should also carry the project value. Project codes are only used in the project funds.

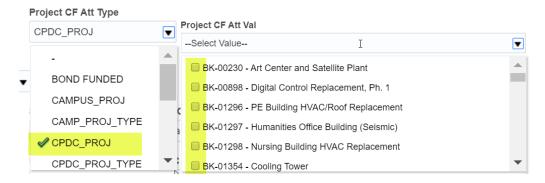
Budget Ledger: select the ledger for the campus.

Last Revised: 11/20/2019 Page 3 of 11



Advanced Filters:

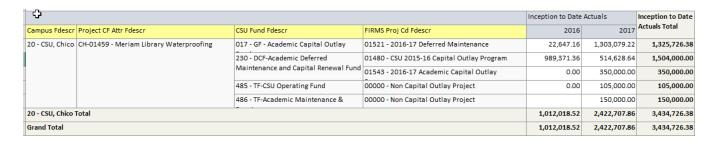
Project CF att Type: CDPC\_PROJ



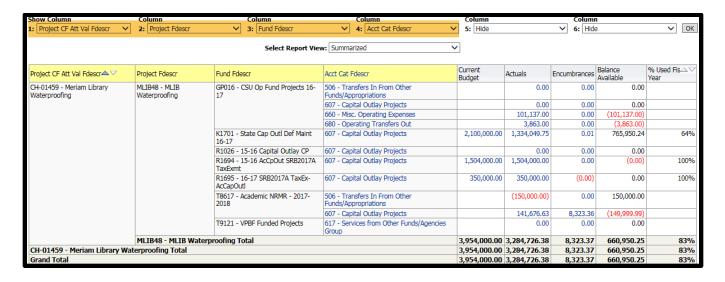
Select the project to be reconciled from the menu. CPDC Project number are created after approval from the BOT. If no project is listed, contact CPDC Fiscal.

#### **Select Column Selectors**

- Column 1: Campus business unit (optional)
- 2. Column 2: Project CF Attribute Value (aka CPDC Project number).
- 3. Column 3: Project Fdescr (aka Campus Project number).
- 4. Column 4: CSU Fund Fdescr (type of funding)
- 5. Column 5: FIRMS Proj Cd Fdescr (funding year in the 0576 and 0001-017)
- 6. Column 6: Account Type (optional)
- 7. Column X: Acct Cat Fdescr: (optional)



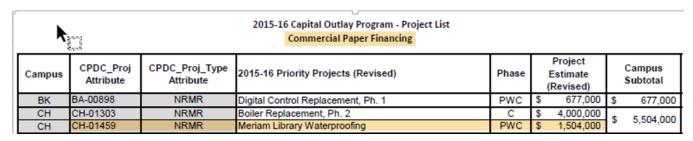
Last Revised: 11/20/2019 Page 4 of 11



## 1.2 Funding (CPO/AO) Step 1.2

Make sure all of the allocation and de-allocations have been recorded to both the budget and actuals ledger.

#### **Commercial Paper: Define and why**



Bond anticipation Notes (BAN) are sold and bonds are issued. Deallocation of BANs and allocation of bond funds.

			2015-16 Capital Outlay Program Systemwide Revenue Bond Series 202					
Campus	CPDC_PROJ Attribute	CPDC_PROJ_TYPE Attribute	2015-2016 Priority Projects	Phase	Pro	ject Estimate	Can	npus Subtotal
BK	BK-00898	NRMR	Digital Control Replacement, Ph. 1	PWC	\$	677,000		
BK	BK-01457	NRMR	Natural Gas Line Replacement	PWC	\$	-	\$	800,000
BK <sup>6</sup>	BK-01364	NRMR	Electrical Distribution Equipment Upgrade, Ph. 1	С	\$	123,000		
CH	CH-01303	NRMR	Boiler Replacement, Ph. 2	С	\$	4,000,000	ė	5,504,000
СН	CH-01459	NRMR	Meriam Library Waterproofing	PWC	\$	1,504,000	Ş	3,304,000

**General Fund deferred maintenance** 

Last Revised: 11/20/2019 Page 5 of 11

70

## CSU Deferred Maintenance Projects Control Section 6.10 of the Budget Act of 2016: Deferred Maintenance

CPDC_PROJ_TYPE	Campus	Projects	Project Estimate		CPDC_PROJ
NRMR	Bakersfield	Fire Alarm System Renewal	\$	600,000	BK-01483
	Bakersfield Total		\$	600,000	
NRMR	Channel Islands	Back up Generators and Switch Replacement	\$	150,000	CI-01484
NRMR	Channel Islands	Potable Water Piping and Gas Shut Off Valves Renewal	\$	100,000	CI-01485
	Channel Islands Total		\$	250,000	
NRMR	Chico	Meriam Library Waterproofing	\$	2,100,000	CH-01459
	Chico Total		\$	2,100,000	

Navigation: path > path > path > path

## 1.3 Five (5) year Capital Improvement Program (CIP) Steps 1.3

To facilitate this reconciliation, campuses should utilize the campus' Previous Five-Year Capital Improvement Program (CIP) document found in the annual Five-year Capital Outlay program to determine the current approved and funded projects, as well as Resources on the CPDC Executive CSYou page for projects amended to the capital outlay program that have yet to be documented in the Five-Year CIP and CPDC allocation schedules for the type of funding.

Using the Pervious 5 year Report, make sure you have accounting records for each project listed.

Previous Five-Year Capital Improvement Program 2013/14 through 2017/18 (Dollars in 000's)

^	ш	ш	_	0	
L	П	ш	u	v	

Project	Funds	2013/14	201	4/15	201	5/16	201	6/17	201	17/18+
Taylor II Replacement Building (Arts & Humanities)	s		E	2,740						
Boiler Replacement, Ph. 1 and 2	SRB-AP		PWC	5,004	С	4,000				
Boiler-Chiller Plant Modification	Campus-I				PWC	10,897				
Generator for Fire Egress System	DM				PWC	1,023				
Meriam Library Waterproofing	SRB-AP DM				PWC	1,504	C PWC	1,350 2,100		
Siskiyou II Science Replacement (Seismic)	SRB-AP Campus-I						PC WE	73,651 6,338		13,969 575
HVAC Upgrades, Lassen/Shasta Halls	SH								PWC	160
Shasta Hall Interior Paint	SH								PWC	80
Room Ventilators Abatement, Lassen/Shasta	SH								PWC	140
Shasta Hall Chiller Re-piping	SH								PWC	60
Whitney Hall Hydronic System, Ph. 2	SH								PWC	380
Whitney Hall Carpet Replacement, Ph. 2	SH								PWC	100
North Campus Roof Repairs	SH								PWC	50
Konkow Hall Painting	SH								PWC	80
University Village South A/C Unit Repl., Ph. 1	SH								PWC	200
University Village South ADA Upgrades, Ph. 1	SH								PWC	250
Totals \$124,651		\$0		\$7,744		\$17,424		\$83,439		\$16,044

<sup>+</sup> Project/cost increases in bold are pending a future bond sale and are part of the BOT approved November 2016 multi-year funding.

8. Make sure all projects on the previous 5 year report reconcile to the ledger. Any projects on one but not the other should be researched.

Last Revised: 11/20/2019 Page 6 of 11

A = Acquisition P = Preliminary Plans W = Working Drawings C = Construction E = Equipment

Business Unit = CHICO - California State Univ, Chico, Fiscal Year = 2017, Current Budget Actuals Encumbrances BBA Project CF Att Val CSU Fund Fund Fdescr CH-01091 - Siskiyou II 230 - DCF R1695 - 16-17 SRB2017A TaxEx-1,000,000.00 1,000,000.00 0.00 0.00 100% Science Replacement | Academi | R2698 - 16-17 SRB2017B Taxable-SISKU | 10,896,829.00 | 1,856,716.86 | 1,578,203.01 | 7,461,909.13 | 32% 230 - DCF-Academic Deferred Maintenance and 11,896,829.00 2,856,716.86 1,578,203.01 7,461,909.13 37% 4,742.75 0.00 (4,742.75) 487 - TF- T8715 - Academic CIMP - 2015-2016 487 - TF-Academic Capital Improvements Total 0.00 (4,742.75) 4,742.75 1,578,203.01 11,896,829.00 2,861,459.61 CH-01091 - Siskiyou II Science Replacement (Seismic) Total 7,457,166.38 230 - DCF R1026 - 15-16 Capital Outlay CP 0.00 CH-01303 - Boiler 0.00 0.00 Replacement Ph. 1 and Academi R1629 - Boiler Repl Ph1 - SRB 2015A 5.004.000.00 5.004.000.00 0.00 0.00 100% 3,193,331.08 3,664.17 803,004.75 Deferred R1694 - 15-16 AcCpOut SRB2017A 4,000,000.00 80% 3,664.17 803,004.75 230 - DCF-Academic Deferred Maintenance and 9,004,000.00 8,197,331.08 CH-01303 - Boiler Replacement Ph. 1 and 2 Total 3,664.17 803,004.75 91% 8,197,331.08 CH-01368 - Generator | 017 - GF - K1700 - State Cap Out | Def Maint 15-16 | 1.023.000.00 1.006.324.50 16.675.50 (0.00) 100% for fire egress system 017 - GF - Academic Capital Outlay Fund Total (0.00) 100% 1,023,000.00 1.006.324.50 16,675,50 1,023,000.00 CH-01368 - Generator for fire egress system Total 1,006,324.50 16,675.50 (0.00) 100% 487 - TF- T8702 - BCP Equipment 0.00 (6,555,332.88) Chiller Plant Academi T8715 - Academic CIMP - 2015-2016 0.00 (1.900.000.00) 1.900.000.00 Modification c Capital

487 - TF-Academic Capital Improvements Total 0.00 (8,455,332.88) 8.455.332.88 491 - TF- T9121 - VPBF Funded Projects 13.908.78 4.380.00 (18.288.78) 13,908.78 4,380.00 (18,288.78) 491 - TF-Special Projects Fund-Special Projects Total CH-01427 - Boiler-Chiller Plant Modification Total 8,469,241.66 4,380.00 (8,473,621.66) CH-01459 - Meriam 017 - GF - K1701 - State Cap Outl Def Maint 16-17 2.100.000.00 1.334.049.75 0.01 765.950.24 Library Waterproofing 017 - GF - Academic Capital Outlay Fund Total 0.01 2,100,000.00 1,334,049.75 765,950.24 230 - DCF-R1026 - 15-16 Capital Outlay CP 0.00 0.00 Academi R1694 - 15-16 AcCpOut SRB2017A 1.504.000.00 1,504,000.00 0.00 (0.00) 100% 0.00 100% Deferred R1695 - 16-17 SRB2017A TaxEx-350,000,00 350.000.00 (0.00) 0.00 100% 230 - DCF-Academic Deferred Maintenance and 1,854,000.00 1,854,000.00 485 - TF- GP016 - CSU Op Fund Projects 16-17 105,000.00 (105,000.00) 0.00 (105,000.00) 485 - TF-CSU Operating Fund Total 105,000.00 486 - TF- T8617 - Academic NRMR - 2017-2018 141.676.63 8.323.36 (149.999.99) 8,323.36 486 - TF-Academic Maintenance & Repair Total 141,676.63 (149,999.99) 510,950.25 CH-01459 - Meriam Library Waterproofing Total 3,434,726.38 8,323.37

The following elements should be validated.

1. Spending Authority has been granted in the funding source and it is recorded in the appropriate SCO and CSU fund. "Spending Authority" is defined as either an allocation order, systemwide transfer, or campus transfer.

This requirement includes recording the transaction to both the budget and actuals ledger. Allocation Orders are only recorded to the budget ledger as required by the state but in contrast, systemwide transfers are cash transactions and are recorded as transfers in the actuals ledger but also must be recorded as a budget entry in the appropriate fund and Project Fdescr.

Visit the CPDC Cash Management CSyou Page of all funding transactions to date. [LINK]

2. Campus and systemwide PayGo funding should be recorded as a "transfer in" of cash from one fund to another. It is required that the transfer in (not transfer out) carry the project attribute.

This requirement also includes both the budget and actuals ledger. Note: Make sure 18/19 capital transfers recorded in FOC 572000 and CSU Fund 485 have been further transferred to the appropriate NRMR or CIMP CSU fund. Beginning 19/20, capital transfers will go directly to the NRMR and CIMP CSU funds. As mentioned above, transfers are cash transactions and are recorded to the actuals ledger but also must be recorded as a budget entry in the appropriate fund and project fdescr.

3. Facility management expenses (607032 - Capital-Construction Management) are to be only charged to the project fund (not the cost recovery fund) and should carry the project attribute for that project.

CPDC and the campus charges a capital management fee to the project for administrative services. In order to eliminate this interagency transaction, use of 607032 - Capital-Construction Management is required and also must include the project Fdescr in the project fund (aka CSU fund 230, 486 or 487).

Last Revised: 11/20/2019 Page 7 of 11

Check: Validate there are NO project fdescr values recorded to operating funds, example CSU fund 485.

4. Ensure that expenses recorded to CIMP or NRMR CSU funds that are not part of Major Capital Outlay project (those that carry a CPDC Project Attribute) are appropriately reportable as minor projects (currently under \$709,000).

The campuses should review all expenditures not associate with a CDPC Proj Value to validate they meet the definition of a minor capital outlay project. Currently a minor capital is defined as project costing less than or equal to \$709,000, inclusive of all project cost not just for construction.

5. Expenditures to not exceed spending authority or that additional funding has been recorded to augment a project.

Make sure the budget balance available within each approved funding sources is not less than 0. Negative BBA in an expenditure account may indicate over spending.

6. Ensure that all expenditures are recorded based on their natural classification and that "Transfer out" FIRMS object codes are only used as a reduction of spending authority in SCO fund 0948. Reductions in spending authority in SCO fund 0576 are as a result of a de-allocation and are not recorded in the actuals ledger.

**Natural classification** is an accounting classification based on type of expense, rather than the program in which it benefits. In other words, make sure you use the appropriate FIRMS Object Code as defined by Appendix 19 of the Accounting and Reporting Legal Manual.

Last Revised: 11/20/2019 Page 8 of 11

## **APPENDIX A: Name of Appendix**

Can include, as appropriate:

- Test Scenarios
- Data Flow Diagrams
- Run Control Strategy
- Run Control Variable
- Additional Comments

Last Revised: 11/20/2019 Page 9 of 11

## **REVISION CONTROL**

**Document Title:** Business Process Guide: Chapter 15 Reconcilation requirements

Author: CPDC Fiscal

File Reference: Chapter 15 Reconcilation requirements

Date	Ву	Action	Pages
Click here to enter date.	Click here to enter First Initial and Last Name.	Release of New Document	All

#### Review/Approval History

Date	Ву	Action	Pages
Click here to enter date.	Design Team	Review and Input	All
Click here to enter date.	User Group / Campus	Review and Input	All
Click here to enter date reviewed by QA.	PMO QA	Standards Review	All
Click here to enter date reviewed by App Manager.	Application Manager	Approved for Release	All

## **Confidentiality Statement**

This document has been checked and screen shots do not contain any confidential information (staff names, addresses, social security numbers).

Please add a new line, verifying that screen shots have been checked each time this document is published.

Publishing Date	Name of Individual Checking Screen Shots

Last Revised: 11/20/2019 Page 10 of 11

Last Revised: 11/20/2019 Page 11 of 11