

TO: ALL COUNTY PERSONNEL

FROM: VERDENIA C. BAKER
COUNTY ADMINISTRATOR

PREPARED BY: OFFICE OF FINANCIAL MANAGEMENT & BUDGET (OFMB)

SUBJECT: CONSTRUCTION WORK-IN-PROGRESS (CWIP)
ACCOUNTING POLICIES

PPM #: CW-F-062

ISSUE DATE

November 13, 2019

EFFECTIVE DATE

November 13, 2019

PURPOSE:

To establish responsibility, and provide guidelines, for appropriate and consistent accounting treatment relating to Construction Work-in-Progress (CWIP) of capital assets.

UPDATES:

Future updates to this PPM are the responsibility of OFMB.

EXEMPTION:

Department of Airports (DOA) is exempt from the provisions of these policies and procedures. DOA is responsible for capital budgeting, accounting and reporting from inception to completion and depreciation, if applicable, through its own staff and internal systems. Notwithstanding this exemption, DOA will observe Generally Accepted Accounting Principles, while applying standards common to the industry and expected by grant funding entities.

AUTHORITY:

- Florida Statutes, Chapter 274, as may be amended.
- Palm Beach County Administrative Code, Section 304.03, and relevant subsections, as may be amended.
- Governmental Accounting Standards Board Pronouncements
- Generally Accepted Governmental Accounting Principles

DEFINITIONS:

Capital Project – The acquisition of major capital facilities or major improvements to existing capital facilities either through purchase or construction. In order to be accounted for as a “capital project” for purposes of this PPM, the facility or improvement must have a useful life longer than one year and a minimum acquisition value of \$25,000.

Capital Project Asset or Capital Asset - For purposes of this PPM, a fixed asset constructed or acquired as part of a capital project, regardless of the funding source of the capital project.

Capital Projects Fund - A fund created to account for financial resources to be used for the acquisition or construction of major capital facilities in the Capital Improvements Program.

Capitalize or Capitalization- To record as assets those expenditures which will provide an economic benefit to the government for more than one future year period. As specifically related to the CWIP process, capitalization will involve recording an expenditure, accumulating total costs related to the asset in a CWIP account, and finally recording the asset as a fixed asset in the General Capital Assets Account Group, formerly known as the General Fixed Assets Account Group (GFAAG), as defined, or in a proprietary fund or fiduciary fund. Expenditures that extend the life of assets beyond their estimated useful lives or that improve efficiency or capacity of the assets should be added to the assets’ historical cost. Expenditures that do not meet those tests should be reported as repairs and maintenance expense.

Computer Software - An intangible asset (as defined in GASB Statement No. 51) which may consist of an entire set of programs, operating systems, procedures and related documentation associated with a computer system. Computer software is typically acquired through purchase, lease, or lease-purchase, or it may be developed in-house. Only software that is developed in-house by the County or developed specifically for the County by an outside vendor is actually “owned” by the County; all other software (e.g., Advantage, Excel, Word, etc.) remains the property of the company providing the software (i.e., the company retains the “proprietary rights”) with the County acquiring only the right to use the software. (Refer to Z.51 of the GASB 2009 Q&A Implementation Guide for details). For purposes of this PPM, computer software must have a useful life longer than one year and a minimum cost or acquisition value of \$250,000. (Refer to PPM CW-F-014).

Construction Work-in-Progress (CWIP) - A fixed asset account reflecting the cost of construction work for projects not yet completed. Appropriate CWIP expenditures include not only the purchase price or construction cost of the asset, but also any other reasonable and necessary costs incurred to prepare the asset for its intended use, including legal and title fees, appraisal fees, land preparation costs, and architectural and engineering fees. However, expenditures resulting from carelessness or errors in installing the asset, or from vandalism or other unusual or unintended occurrences do not increase the usefulness of the asset and are not treated as capital expenditures.

Easements – where individual property owners are granting only an ‘interest’ in their land to another, such as for access or egress, the Fair Market Value of that interest at the time it is granted is considered an intangible asset and will be capitalized if it meets capitalization threshold amounts per CW-F-014. Easements which have indefinite lives will be non-depreciable. Easements with limited lives will be amortized over the life of the contract term period.

Fixed Asset - A tangible asset held for the services it yields in the production of goods and services. The criteria used to classify tangible property as a fixed asset are established by the State (i.e., minimum acquisition value) and Generally Accepted Governmental Accounting Principles (GAGAP), and include assets of an infrastructure or public domain nature, such as bridges. For purposes of this PPM, fixed assets are those assets having a useful life longer than one year and a minimum acquisition value as specified in PPM #CW-F-014, "Fixed Asset Capitalization Levels."

Fixed Asset Classifications - Fixed assets include the following major asset categories:

- Land
- Buildings and Improvements
- Equipment and Vehicles
- Improvements Other Than Buildings
- Books
- Construction-in-Progress
- Roads
- Bridges
- Other Infrastructure

[Refer to PPM # CW-O-037, "Fixed Asset Management–Real Property Assets," for specific definitions of real property assets.]

General Capital Assets Account Group (GCAAG) - A self-balancing group of accounts established to account for fixed assets of a government not accounted for through specific proprietary funds or fiduciary funds. This grouping serves as a management control and accountability listing of a government's general fixed assets, and is balanced by accounts showing the sources by which these assets were financed.

General Fixed Assets - Capital assets that are not assets of any fund, but of the government unit as a whole. Most often these assets arise from the expenditure of the financial resources of governmental funds.

Impairment of Capital Assets – Asset impairment is a financially significant, unexpected (not part of the asset's normal life cycle) decline in the service utility of a capital asset, i.e., expedited deterioration resulting from hurricane damage or mold growth.

An impairment may be a permanent or temporary decline in service utility. Only a permanent decline in service utility will result in a recognized impairment loss. An impairment loss that has been recognized should not be reversed in subsequent years, even if the circumstances causing the impairment have changed.

Infrastructure - Infrastructure assets are long-lived capital assets that customarily are stationary in nature and can be preserved for a significantly greater number of years than most capital assets. Examples of infrastructure assets include roads, bridges, tunnels, drainage systems, water and sewer systems, dams, and lighting systems. Buildings, except those that are an ancillary part of a network of infrastructure assets, should not be considered infrastructure assets (as defined in GASB 34). Where all "rights" to the property do not vest with one entity, further analysis is required, per GASB 2009 Q&A Implementation Guide 7.9.6.

Major Renovation - A project involving renewal, renovation or rehabilitation of an existing capital asset affecting all or a substantial portion of the facility, which adds economic life to the asset, and which has a cost of at least \$25,000.

Minor Renovation - A project involving renewal, renovation or rehabilitation of an existing capital asset affecting a relatively small portion of the facility, and having a cost of less than \$25,000.

Mixed Project or Combination Project - For purposes of this PPM, a capital project having both a capitalizable component and a non-capitalizable component. An example of a “combination project” is a project in which both repair, maintenance, or minor renovation work, as defined (which would not be capitalized), and expansion or major renovation work, as defined (which would be capitalized), are undertaken to an existing facility.

Operational Department – For purposes of this PPM, the County department for which a capital project is being constructed, and which will have continuing responsibility for the operation and upkeep of the completed project on behalf of the County.

Program Code - A unique code used to track all expenditure transactions of an individual capital project in the cost accounting journal of the County's centralized financial management system. Program Code may be numeric, alphabetic, or alpha-numeric. It is from the cost accounting journal that CWIP reports are generated.

Project Close-out - The process, initiated jointly by the responsible project manager and operational department, and coordinated to conclusion by the Budget Division, by which a capital project is formally closed to further expenditures, so that its costs can be reclassified from CWIP accounts to capitalized asset accounts.

Project Manager - The individual County staff person responsible for overseeing the acquisition, construction or development of a specific capital project of the County, including the processing of project payment requests and reporting of significant changes in the status of the project to management. The project manager is ultimately responsible for determining substantial, full and final completion of the project and, together with the operational department, for initiating its timely closeout. [See also PPM #CW-F-054, “Capital Projects Management Oversight” for additional guidance and specific definitions related to project management functions.]

Proprietary Fund Type Fixed Assets - Capital assets that are fixed assets of an enterprise or internal service fund.

Right-of-Way (ROW) Acquisition (Land under infrastructure)

1. A tangible asset which includes sidewalks, planting strips, alleys, streets, or pathways, improved or unimproved, that are dedicated to public use; includes any strip of land over which public facilities such as highways, railroads, or power lines are built. ROW should be reported at fair value at the time of acquisition and donations should be reported at the fair value as of the date of donation, rather than a resale value. Right-of-Way expenditures (for ROW deemed as tangible assets) are to be charged to Object Code 6120 and capitalized as part of the CWIP projects for Infrastructure. ROW may also include easements, which are

considered to be intangible assets.

2. Easement – a form of Right-of-Way which is an intangible asset that is conferring a right of passage, e.g., access and egress; an easement for a road is, in substance, equivalent to ownership of the land because the grantor of the easement retains virtually no right of use; some easements are for limited use, i.e., land used by a public utility to install and later service or otherwise repair electrical transmission lines.

Substantially Completed Capital Project - Any portion of a facility or building which has been determined by the County to be in a condition suitable for use, and for which the County has initiated a certificate of Substantial Completion and taken possession.

POLICY:

I. In General

Only fixed assets that are classified as “capital project assets,” and therefore included in capital projects, will be accounted for using the CWIP process. Neither the source of funding, including budgetary appropriations, bond proceeds, and grant funds, nor the quantity purchased will be used as a factor in determining whether a specific item of tangible property is to be classified as a “capital project asset.”

II. Assignment of Responsibilities

A. Fixed Assets Management Office (FAMO)

The Fixed Assets Management Office (FAMO) will report annually on the status of CWIP projects, relying on reports produced by the County’s centralized financial management system from source documents filed by project managers and accepted for payment by the Finance Department.

The reporting of impaired capital assets is to be determined on a case-by-case basis by collaboration among FAMO and Finance’s Accounting and Financial Reporting staff. Impairments are to be identified in the following ways:

1. Evidence of physical damage the level of which is such that restoration efforts are needed.
2. Enactment of laws, regulations or other charges in environmental factors, i.e., a ban of particular materials.
3. Technological development or evidence of obsolescence.
4. Change in the manner or expected duration of use, i.e., abandonment of an athletic facility due to insufficient seating.
5. Construction stoppage.

Impairment losses for assets that will continue to be used are measured using one of the following three methods depending on the most appropriate event or change in

circumstances that indicate impairment:

1. Restoration cost approach – focuses on estimating the cost to restore the lost utility of the asset.
2. Service units approach – focuses on the historical cost of the service utility lost due to the impairment event.
3. Deflated depreciation replacement cost approach – focuses on replicating the historical cost of the service produced.

Impaired capital assets that will no longer be used should be reported at the lower of carrying value or fair value. Capital assets impaired from construction stoppage should also be reported at the lower of carrying value or fair value. The carrying amount of impaired capital assets that are idle at fiscal year-end should be disclosed, regardless of whether the impairment is considered temporary or permanent.

B. Budget Division

The Budget Division of OFMB will be responsible for assigning program codes in the County's financial management system, providing appropriate accounting codes for all capital projects, structuring the annual capital budget based on proposed project costs provided by the respective operational departments and project managers, and coordinating the project close-out process.

C. Project Managers — For purposes of this PPM, each project manager will be jointly responsible, together with an affected operational department, for the appropriate things specified in Paragraph D below in order that CWIP project payment, reporting and close-out steps are performed expeditiously and accurately.

D. Operational Departments — For purposes of this PPM, each operational department will, together with an assigned project manager, be responsible for:

1. Submitting monthly CWIP status memoranda (Attachment A) listing projects, if any, which became completed and/or substantially completed during the reporting month. These memoranda are due not later than the fifteenth calendar day of the month following the end of the reporting month.
2. Submitting completed "Contractor Payment Application Roll-up" forms (Attachment B) together with each contractor payment application sent to the Finance Department for payment.
3. Ensuring that the assigned program code(s), official description(s), and required accounting code(s) (fund/department/unit/object, or equivalent) are included in all project expenditure documents submitted for payment to the Finance Department. An invoice that is chargeable to more than one project must be itemized according to all program and accounting codes involved.

4. Allocating proposed project costs and invoiced amounts (including interdepartmental billings (IETN/IETC)) among construction work-in-progress, operating expense, and capital outlay accounts for combination projects.

5. Timely initiating the project close-out process as described in these rules.

E. Finance Department

Finance Department is responsible for ensuring that payments are rendered in accordance with this policy, by conducting a reasonable review of encumbrances submitted pursuant to these rules. These encumbrances must be identified by the assigned program code and official description, and make use of appropriate CWIP accounts consistent with the County's financial management system accounting codes (fund/department/unit/object, or equivalent). All CWIP-related accounting reclassifications and prior year subsequent disbursements shall be made in a timely manner, consistent with the adopted year-end calendar of events, with sufficient time allotted to FAMO to capitalize those expenditures before Finance runs the depreciation process.

As requested, Finance will supply FAMO copies of all relevant CWIP expenditure documentation, including as appropriate, contractor payment applications, invoices, agenda items, contracts, Budget Availability Statements, Distribution of Capital Expenditures, prior year subsequent disbursement journal vouchers, etc.

Finance is responsible for annually publishing the fiscal year-end closing memorandum. [Note: as specified earlier, the reporting of impaired capital assets is to be determined on a case-by-case basis by collaboration among FAMO and Finance's Accounting and Financial Reporting staff in accordance with the steps promulgated.]

F. Risk Management Department

Risk Management Department will coordinate with the County's private insurance carriers for the purchase of any additional insurance required to cover new facilities or significant additions to or remodeling of existing facilities.

G. Contracts Management Division

The Contracts Management Division of OFMB will provide copies of its Monthly Contract Activity reports to FAMO as and when they are published.

H. Engineering Department

Regarding Infrastructure projects, the Engineering Department will provide FAMO with the Asset Category and Completion Date for each Substantially Completed or Completed project (using the CWIP Transmittal Memo which is Attachment A) based on accounting lines. All project accounting lines will be grouped together by FAMO according to Asset Category, with corresponding accumulated expenditures. Each Asset Category will then be posted as a single asset to the CWIP Database.

I. Countywide Community Revitalization Team (jointly funded projects)

These are cases whereby the County participates in funding a project through the Countywide Community Revitalization Team (CCRT). When projects are funded by County Departments such as Environmental Resources Management (ERM), and other agencies such as the State of Florida, South Florida Water Management District, or Local Municipalities, FAMO requires the County Department(s) involved to provide information regarding the scope of the work being undertaken, the extent of the County's involvement, as well as a determination of ownership and maintenance responsibilities. In circumstances where the County does not retain ownership, the project will be transferred out of CWIP as it would not be considered a County asset.

III. Budgeting and Accounting in the CWIP Process

- A. Transactions involving the CWIP process will utilize the 65XX ("Construction-in- Progress") object series of accounts. [See Attachment B, "Contractor Payment Application Roll-up" form and "Listing of Available Object Codes"]
- B. Expenditures for books purchased as part of a library construction project will be budgeted for and recorded in the appropriate 66XX ("Books, Publications and Library Materials") object series of accounts.

C. Equipment Acquired Through Purchase

- 1. If provided by the general contractor or constructed directly by the County as part of a capitalizable project, the total cost of the equipment will be paid from CWIP object code 6507.
- 2. If acquired directly by the County from a vendor, the total cost of the equipment will be paid from the appropriate 64XX series of accounts.

FAMO will "tag" equipment for inventory purposes upon receipt of an itemized cost listing from the operational department. However, such equipment will not be recorded in the County's centralized financial management system until it is placed in service.

It is the responsibility of the receiving department or agency to ensure the placement of equipment in service within thirty days of receipt and provide proper notification to FAMO.

D. Allocation of Architectural, Engineering and Other Overhead Costs

All architectural, engineering and other overhead costs associated with the construction or major renovation of a capital facility will be included with the direct costs of the "Buildings and Improvements" asset category.

E. Level of Detail to be Maintained for Capital Assets

1. Facility Components - Individual fixed asset records for facility components (e.g., elevators, computer process controllers) are not required to be maintained, but rather, are to be incorporated in the recording and value of the facility as a whole.
2. Air Conditioning Equipment - Individual fixed asset records for air conditioning equipment (e.g., chillers) are not required to be maintained whether the unit is attached or physically separated from the facility it serves, but rather, are to be incorporated in the recording and value of the facility as a whole.

F. Capitalization of Partially Completed Assets

1. Each completed phase of a multi-phased capital project (e.g., new park development) will be capitalized if that completed phase results in a facility which can be placed in service (e.g., softball field).
2. Partial payments made for an asset constructed as part of a capital project will be recorded in the appropriate 65XX ("Construction-in-Progress") object series of accounts. The asset will be capitalized when FAMO is notified by the project manager and the operational department in the manner specified in these rules that it is placed in service.

IV. Insurance Proceeds from Loss or Damage

When the County receives insurance proceeds for a specific capital project, the proceeds will be accounted for within that project in the appropriate fund. Repair work expenditures associated with the County's insurance claim and for a specific capital project will be expensed using the relevant project program code and the appropriate 46XX object code.

When an insurance recovery related to an impairment loss is received in the same year as the loss, the impairment loss is reduced by the amount of the insurance recovery. This treatment does create the potential for an impairment to result in the recognition of a gain if the insurance recovery exceeds the calculated loss.) Related insurance recoveries received in subsequent years should be reported as non-operating revenue.

V. Expenditures that will **NOT** be capitalized:

A. Repairs and Maintenance

Repair and maintenance of the County's existing stock of structures, including roof repairs, will not be capitalized (i.e., the amount of the repair and/or maintenance work will not be added to the value of the existing asset). Instead, repairs, maintenance, and minor renovation (as defined) will be paid for out of the appropriate 46XX ("Repair and Maintenance") object series of accounts. Expenditures that extend the life of assets beyond their estimated useful lives or that improve efficiency or capacity of the assets should be added to the assets' historical cost. Expenditures that do not meet those tests should be reported as repairs and maintenance expense.

B. Beach Restoration/Renourishment

Expenditures associated with beach restoration/renourishment will not be capitalized. Instead, these expenditures will be paid for out of the appropriate 46XX ("Repair and Maintenance") object series of accounts.

C. Vegetation Control & Other Spray Applications

Chemical spray applications associated with the on-going maintenance of environmentally sensitive lands and other similar applications of weed and pest control will not be capitalized. Instead, these expenditures will be paid for out of the appropriate 46XX ("Repair and Maintenance") object series of accounts.

D. Minor Renovations

Minor renovations, as defined, will not be capitalized. Instead, expenditures for such projects will be paid for out of the appropriate 46XX ("Repair and Maintenance") object series of accounts.

VI. Expenditures that **WILL** be capitalized:

A. Expansion of an Existing Facility

Expenditures associated with increasing the square footage of an existing facility will be capitalized as part of the facility.

B. Rehabilitation of a Facility Purchased by the County

Expenditures associated with rehabilitating a purchased facility so as to make it habitable/useful will be capitalized as part of the facility.

C. Major Renovation

Expenditures associated with renovating or rehabilitating an existing capital facility,

subject to the requirements of this PPM.

D. Modular Furniture

1. If provided by the general contractor as part of a capitalizable project, the total cost of modular furniture systems, excluding paneling systems, will be capitalized even though the cost of the individual components is less than the cost threshold for fixed assets, provided the modular systems have a useful life longer than one year.
2. If acquired directly by the County from a vendor, and the purchase price meets the threshold value for capitalization, the total cost of the modular furniture will be paid using the 64XX series of accounts.

E. Computer Software

Computer software is a common type of intangible asset that is often internally generated. Computer software should be considered internally generated if it is developed in-house by the government's personnel or by a third-party contractor on behalf of the government. Commercially available software that is purchased or licensed by the government and modified using more than minimal incremental effort before being put into operation also should be considered internally generated for purposes of this Statement. For example, licensed financial accounting software that the government modifies to add special reporting capabilities would be considered internally generated. Outlays incurred related to the development of an internally generated intangible asset that is identifiable should be capitalized only upon the occurrence of all of the following:

- a. Determination of the specific objective of the project and the nature of the service capacity that is expected to be provided by the intangible asset upon the completion of the project.
- b. Demonstration of the technical or technological feasibility for completing the project so that the intangible asset will provide its expected service capacity.
- c. Demonstration of the current intention, ability, and presence of effort to complete or, in the case of a multiyear project, continue development of the intangible asset.

Only outlays incurred subsequent to meeting the above criteria should be capitalized. Outlays incurred prior to meeting those criteria should be expensed as incurred. The activities involved in developing and installing internally generated computer software can be grouped into the following stages:

- a. *Preliminary Project Stage.* Activities in this stage include the conceptual formulation and evaluation of alternatives, the determination of the existence of needed technology, and the final selection of alternatives for the development of the

software.

- b. *Application Development Stage*. Activities in this stage include the design of the chosen path, including software configuration and software interfaces, coding, installation to hardware, and testing, including the parallel processing phase.
- c. *Post-implementation/Operation Stage*. Activities in this stage include application training and software maintenance.

Data conversion should be considered an activity of the application development stage only to the extent it is determined to be necessary to make the computer software operational, that is, in condition for use. Otherwise, data conversion should be considered an activity of the post-implementation/ operation stage.

For internally generated software, the criteria whether to determine whether an outlay incurred is to be capitalized should be considered to be met only when both of the following occur:

- a. The activities noted in the preliminary project stage are completed.
- b. Management implicitly or explicitly authorizes and commits to funding, at least currently in the case of a multiyear project, the software project.

Accordingly, outlays associated with activities in the preliminary project stage should be expensed as incurred. For commercially available software that will be modified to the point that it is considered internally generated, (a) and (b) above generally could be considered to have occurred upon the government's commitment to purchase or license the computer software.

F. Environmentally Sensitive Lands

In connection with the County's purchase of environmentally sensitive lands, reasonable and necessary costs associated with initial improvements to a site, including fencing, management roads, public use facilities, prescribed burns, and exotic vegetation removal, are appropriate CWIP expenditures because they are incurred to prepare the lands for their intended use as environmentally sensitive properties.

Due to the nature of these projects, initial capital activities may not commence until several years after an environmentally sensitive property is acquired. A Management Plan must be written and given the scope and complexity of the work involved, the size and characteristics of the property, the impact of weather conditions, as well as cost and funding considerations, the initial improvement could take years to complete.

VII. Combination Projects

When a project includes both capitalizable and non-capitalizable components, the budget and amounts invoiced will be split between the appropriate operating expense and capital outlay accounts, including construction work-in-progress accounts.

Amounts invoiced will be properly allocated by project (i.e., one vendor's invoice covering more than one project requires an itemization of charges according to each project program code) prior to any bills being paid or charges recorded. It is the responsibility of the Finance Department's Pre-Audit Section to ensure that charges are approved for payment in conformance with this policy.

PROCEDURES:

I. Project Design and Construction

- A. As a project progresses, the assigned project manager will review payment applications, sign them to indicate his approval, and forward them to the appropriate operational department for additional approval by an authorized signatory prior to submission to Finance. Incomplete or improperly itemized invoices (i.e., the absence of or inappropriate account and/or project segregation) will be returned to the operational department for correction.
- B. As necessary, but at least once at the end of each fiscal year, Finance will record the cumulative expenditures in the appropriate CWIP categories of the GCAAC (for governmental funds), the proprietary fund or the fiduciary fund.

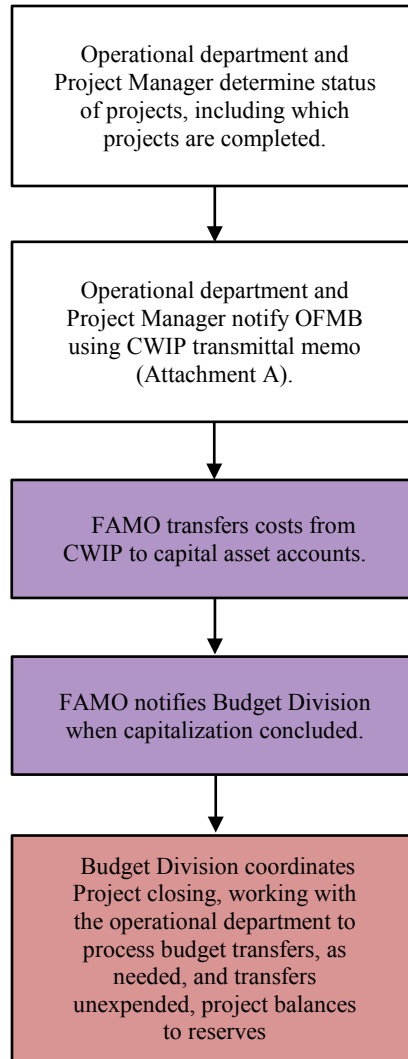
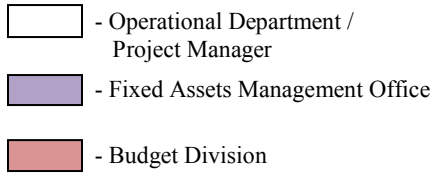
II. Substantially Completed Project

- A. Once a project has been accepted by the County as substantially completed, as defined, [See PPM #CW-F-054 under Definitions section.] the responsible project manager and operational department will jointly notify FAMO in writing that the Project is substantially complete by filing a CWIP Transmittal Form (Attachment A).
- B. FAMO will capitalize the appropriate assets by transfer of the accumulated data from the CWIP categories to the corresponding GCAAC, proprietary fund or fiduciary fund fixed asset categories, relying on the project expenditure records as posted to the County's centralized financial management system.
- C. Risk Management Department will contact the County's private insurance carriers for the purchase of any additional insurance required.

III. Project Close-out

- A. To initiate the project closeout process, the responsible project manager and operational department will jointly file the final "application for payment" and will notify FAMO in writing that the project is complete by filing a CWIP Transmittal Memo form (Attachment A). If Contract Review Committee approval is required for final payment, the project manager shall ensure that documentation required for such approval is also timely submitted.
- B. FAMO will capitalize the appropriate assets by transfer of the accumulated data from the CWIP categories to the corresponding GCAAC, proprietary fund or fiduciary fund fixed asset categories, relying on the project expenditure records as posted to the County's centralized financial management system.
- C. When the asset capitalization process is concluded, FAMO will forward the CWIP Transmittal Memo form to the Budget Division of OFMB, where any remaining, unspent funding authority will be transferred to reserves. The Budget Division of OFMB will ensure that budget transfers to closeout project budget accounts are prepared in a timely fashion. Thereafter, the Budget Division will deactivate the affected budget accounts and close the project to further transactions in the County's centralized financial management system.
- D. Whenever an open capital project is substantially completed, as defined, and all work under the prime construction contract is complete, the responsible project manager and operational department will jointly initiate project closeout within 45 days, or report in writing to the Budget Division why the project should remain active, and for what period of time.
- E. Whenever an open capital project has had no expenditure activity for a period of 180 consecutive days, the Budget Division of OFMB will notify the responsible project manager and operational department to initiate project closeout within 45 days, or to report in writing to the Budget Division why the project should remain active, and for what period of time.

PROJECT CLOSEOUT FLOW



NOTES:

[Refer to PPM #CW-F-054, "Capital Projects Management Oversight," for more specific information on the capital projects management process.]



**VERDENIA C. BAKER
COUNTY ADMINISTRATOR**

Supersession History

1. PPM# CW-F-062, effective 08/01/97
2. PPM# CW-F-062, effective 01/01/03
3. PPM# CW-F-062, effective 08/01/03
4. PPM# CW-F-062, effective 04/01/06
5. PPM# CW-F-062, effective 05/01/06
6. PPM# CW-F-062, effective 12/20/10
7. PPM# CW-F-062, effective 05/20/15

CWIP TRANSMITTAL MEMO

FROM: Department Director

TO: Director
Office of Financial Management & Budget

SUBJECT: Construction Work-in-Progress (CWIP)
Completed Projects and Substantially Completed Projects

DATE: _____

In accordance with reporting requirements of CW-F-054 and CW-F-062, the CWIP activity status for the month of _____ is as follows:

Completed CWIP Projects

Fund	Dept	Unit	Object	Program Code	Project Description	Date of Completion	Document I.D. #	FAMO Use

Substantially Completed CWIP Projects (see definition in CW-F-062)

Fund	Dept	Unit	Object	Program Code	Project Description	Date of Completion	Document I.D. #	FAMO Use

Please attach additional documentation or notes as necessary.

c: Manager, Fixed Assets Management Office
Manager, Finance, Accounting & Financial Reporting
Director, Risk Management

CONTRACTOR PAYMENT APPLICATION ROLL-UP FORM

(TO BE COMPLETED BY THE OPERATION DEPARTMENT AND ATTACHED TO THE SUBMITTED PAYMENT APPLICATION)

CONTRACTOR _____

CONTRACTOR'S PAYMENT APPLICATION NO _____

CONTRACTOR PROJECT NUMBER _____

	FUND	DEPT	UNIT	OBJECT	AMOUNT THIS PERIOD
BUILDING CONSTRUCTION - CIP				6502	\$
LEASEHOLD IMPROVEMENTS - CIP				6503	\$
IOTB NON INFRASTRUCTURE				6504	\$
DESIGN/ENG/MGMT- CIP ADMIN				6505	\$
IOTB - INFRASTRUCTURE				6506	\$
MACHINERY & EQUIPMENT • CONSTR*				6507	\$
SOFTWARE DEVELOPMENT COSTS				6508	\$
MITIGATION				6509	\$
LANDSCAPING/IRRIGATION-INFRA				6510	\$
CIP CONST CONTGCY				6511	\$
PARK IMPROVEMENTS				6520	\$
WATER TREATMENT PLANT				6541	\$
WATER STORAGE TANKS				6542	\$
WATER TRANSMISSION MAINS				6543	\$
WATER DISTRIBUTION SYSTEM				6544	\$
WASTEWATER TREATMENT PLANT				6545	\$
WASTEWATER LIFT STATIONS				6546	\$
WASTEWATER FORCE MAINS				6547	\$
WASTEWATER COLLECTION SYSTEMS				6548	\$
ROAD & STREET IMPROVEMENTS				6551	\$
COMPREHENSIVE STREET IMPRVMENTS				6553	\$

CONTRACTOR PAYMENT APPLICATION ROLL-UP FORM

(TO BE COMPLETED BY THE OPERATING DEPARTMENT AND ATTACHED TO THE SUBMITTED PAYMENT APPLICATION.)

CONTRACTOR _____

CONTRACTOR'S PAYMENT APPLICATION NO _____

CONTRACTOR PROJECT NUMBER _____

	FUND	DEPT	UNIT	OBJECT	AMOUNT THIS PERIOD
ROAD RESURFACING				6554	\$
PAVEMENT MARKING & SIGNALS				6555	\$
BRIDGE IMPROVEMENTS				6571	\$
BRIDGE REHAB & RENEWAL				6572	\$
REPAIR & RENOVATION				6590	\$
MACHINERY & EQUIPMENT				6401	\$
OFFICE FURNITURE AND EQUIPMENT <\$1000				5111	\$
BUILDING IMPROVEMENTS NON-CAPITAL**				4907	\$
EXPENSE (SPECIFY OBJECT CODE)				46XX	\$
					\$
					\$
					\$
					\$
					\$
					\$
					\$
					\$
				TOTAL	\$

*OBJECT CODE 6507 IS TO BE USED FOR CONTRACT BILLINGS ONLY, NOT PURCHASE ORDERS. FOR ALL PURCHASE ORDERS USE OBJECT CODE 6401.

**THIS CATEGORY SHOULD BE USED FOR CAPITAL IMPROVEMENT PROJECTS THAT COST LESS THAN \$25,000. (MINOR RENOVATION)

LIST OF COMMON OBJECT CODES (ABRIDGED)

Expense

4601 REPAIR & MAINTENANCE PARTS & SUPPLIES
 4605 MAINTENANCE-GROUNDS
 4606 RE PAIR/MAI NT-ROADS, BRIDGES, ROW
 4607 REPAIR/MAINT-OUTSIDE SERVICE
 4608 REP/MAINT-CONVICT LABOR
 4610 REPAIR/MAINT-BUILDINGS
 4611 REP/RENOV-PARKS+RECREATION
 4612 REP/RENOV-ROAD+STREET
 4613 REP/RE NOV-BRIDGE
 4615 REP/MAI NT-WATER/SEWER SYSTEMS
 4620 REP/MAI NT-EQUIPMENT
 4622 REP/MAINT-TELEPHONE
 4623 REP/MAINT-RADIO
 4625 REP/MAI NT-MOTOR POOL VEHICLES
 4630 BEACH/DUNE RESTORE/RENOURISH
 4640 LANDSCAPE INSTALLATION/MAINT
 4651 REP/MAN CONST OFF Y/E
 4652 REP/MAN VEH CONST OFF Y/E
 4671 REP/MAINT-GROUNDS CHARGE OFF
 4672 REP/MAINT-BUILDINGS CHRG OFF
 4673 REP/MAINT-EQUIPMENT CHARGE OFF
 4674 REP/MAI NT-DP EQUIP
 4675 4680 REP/MAINT- INDIRECT

Other Current Charges and Obligations

4901 OTH CURRNT CHRGS & OBLIGATIONS
 4902 CASUALTY AND THEFT LOSS
 4904 PROPERTY ASSESSMENTS
 4905 LEGAL SETTLEMENT
 4906 UQUOR TAX

4907 BUILDING IMPROVEMTS NONCAPITAL*

4909 LICENSES & PERMITS
 4910 FINES AND PENALTIES
 4916 ENVIRONMENTL CONTROL FEES
 4920 OTHER COURT COSTS *SOB]
 4921 FILING FEES
 4922 ORDINARY WITNESS FEES
 4923 EXPERT WITNESS FEES
 4924 DISCOVERY COSTS
 4926 LAYMEN FEES
 4927 GRAND JURY EXPENSE
 4928 CLERK OF COURT FEES F.S.28.24
 4930 VISITING HOMEMAKERS SERVICE
 4931 ALLOWANCES
 4932 PARENT ACTIVITY
 4933 RELOCATION PYMNTS & ASSISTANCE
 4934 EMPLOYEE RELOCATION
 4935 INDIGENT BURIALS
 4940 800 MHZ SYSTEM R/R CHARGES
 4941 REGISTRATION FEES
 4942 TUITION-REIMBURSEMENT
 4943 MERCHANT SERVICE FEES
 4945 ADVERTISING
 4946 ADVERTISING INCLUDING LEGAL

4949 LEGAL AD CONST OFF Y/E
 4950 WORK DONE BY OTHER CTY FORCES
 4952 AERIAL PHOTOS CON OFF Y/E
 4953 AERIAL PHOTOS
 4956 INTEREST PROMPT PYMT FS 218.70
 4957 REFUND OF PRIOR YEARS TAXES
 4958 REFUND PRIOR YEARS REVENUES
 4959 *OTHER* CHGS CONST OFF Y/E
 4960 4961 SPAY/NEUTER REBATES
 4968 PROPERTY APPRAISER COMMISSION
 4969 TAX COLLECTOR COMMISSION

Office Supplies

5101 OFFICE SUPPLIES
 5111 OFFICE FURN/EQUIP (UNDER \$1000)
 5112 TELEPHONE EQUIPMENT/INSTALL
 5113 RADIO EQUIPMENT/INSTALLATION
 5114 STREET LIGHT/INSTALL NON-CAP
 5121 DATA PROCSSNG SFTWRE/ACCESS
 5159 OFF SUP OTH CONST OFF Y/E

Land

6101 LAND
 6120 RIGHT OF WAY-ROW

Machinery and Equipment

6401 MACHINERY & EQUIPMENT
 6405 DATA PROCESSING EQUIPMENT
 6408 SIGNALS & CONTROLLERS
 6411 COMMUNICATION EQUIPMENT
 6412 RADIO EQUIPMENT
 6451 EQUIPMENT CONST OFF Y/E
 6452 OFF FURNCONST OFF Y/E
 6453 OFF EQP CONST OFF Y/E
 6454 VEHICLE CONST OFF Y/E
 6491 EQUIPMENT CHARGE OFF

Construction in Progress

6502 BUILDING CONSTRUCTION - CIP
 6503 LEASEHOLD IMPROVEMENTS - CIP
 6504 IOTB NON INFRASTRUCTURE
 6505 DESIGN/ENG/MGMT- CIP ADMIN
 6506 IOTB - INFRASTRUCTURE
 6507 MACHINERY & EQUIPMENT - CONSTR
 6508 SOFTWARE DEVELOPMENT COSTS
 6509 MITIGATION
 6510 LANDSCAPING/IRRIGATION-INFRA

** Please note that 4907 should be used in capital projects for time and materials which do not qualify as capital assets or construction work in process*