

OP-B-11-H CAPITAL OUTLAY IMPLEMENTATION PLANS, ENCUMBRANCE AUTHORIZATIONS AND BUDGET AUTHORITY

SPECIFIC AUTHORITY

Section 216.192, 255.043, 1001.74(28), 1013.65, F.S.

OBJECTIVE

To provide guidelines and procedures for establishing and revising individual fixed capital outlay project budgets, known as Capital Outlay Implementation Plans (COIPs) and for encumbrance authorizations.

OVERVIEW

A COIP is a project budget document approved by the President, or designee, which provides information regarding the project funding sources, project scope and planned uses of the funds for a major project or any project funded by a legislative appropriation. Encumbrance authorization and budget authority are required prior to encumbering funds on fixed capital outlay projects.

A. GENERAL INFORMATION

At certain points during the implementation of a funded project, this document is used to report contractual obligations and updated estimates for project budget categories as a means to demonstrate the availability of funds for an impending contractual obligation. This document, while identifying budget categories at points in time, does not serve as the working project budget. The working project budget, maintained by Construction Accounting, is used to report the actual contract amounts, changes to contracts and revised estimates for costs not yet incurred as a project is implemented.

A major project has a construction budget that does not exceed \$1,000,000. A COIP is not required for a minor project (a project with a construction budget of \$1,000,000 or less) or for a planning or study activity to be performed by a design professional provided:

1. the project is funded from university funds (e.g. auxiliary funds, grants, private donations) or
2. the project was not appropriated by the Legislature as a line item appropriation.

B. WHEN COIPS ARE REQUIRED

A COIP or COIP revision is required, as follows:

1. to establish an initial COIP pursuant to the above criteria;
2. to add funds to or remove funds from an existing project;
3. to transfer funds to another project, when specific legislative or statutory authority exists; and
4. to transfer budget between project budget categories.

For an original COIP, zeroes are shown in the "Current Budget" category and the funds being proposed for approval are shown in the "Proposed Budget" category. If the total project funding is not being approved, then the "Future Funding" column would include the total anticipated funds. For subsequent COIPs, the formerly approved funds are shown in the "Current Budget" column and the proposed new amounts are shown in the "Proposed Funding" column. When reviewing a signed COIP, the official project budget is the one in the "Proposed Funding" column.

C. ANNUAL APPROPRIATION SUMMARY

At the beginning of each fiscal year, the Department of Education, Office of Educational Facilities, will provide FSU with a summary of its appropriations and the allocation of department-wide or aggregate appropriations such as Remodeling, Renovation, Maintenance, Repair and Site Improvements. This report will also contain re-appropriations and redirection authority for prior appropriations. Project numbers will be assigned by the Project Administrator in the Facilities Design and Construction Office (FDC).

Upon receipt of the appropriation summary, FDC will generate a COIP for each of the appropriations.

The University cannot execute contracts against appropriated funds until such funds have been released by the Executive Office of the Governor. The Department of Education, Office of Educational Facilities, coordinates this effort with the Executive Office of the Governor and notifies the University when the funds are available.

D. COIP FORMAT

A COIP provides information regarding the source and use of current and future funding (sample included in forms section). The source section identifies amounts by revenue source and fiscal year of budget authority within each named fund. A future funding section is also provided to identify anticipated future project revenue. The schedule of project components section lists budget categories applicable to the project. Standard budget categories are defined as follows:

1. Construction

Initially, this budget category corresponds to the approved construction amount included in the project budget supporting the request for appropriation. Extraordinary costs not normally included in average costs per GSF but planned to be part of the basic building construction contract are identified in summary form as a separate line until the single contract is awarded. Prior to the receipt of bids, the total construction line indicates the maximum amount available for award of a construction contract(s); thereafter, the construction line reports the actual award amount for each contract, and shall include change order amounts as the project progresses, if the COIP is revised for other reasons. If the project is to be bid in more than one bid package, a budget shall be established for each in a separate bid package. The individual packages shall be described, e.g. site work, renovations, building contract and indented under the general heading of "Construction".

2. Infrastructure Assessment

2% of the programmed construction budget is set aside to fund project related infrastructure needs.

3. Professional Fees

The fees paid to the architect/engineer for basic and additional services (including special consultants) and reimbursable expenses.

4. Construction Manager Fees

For construction management projects, the fees paid to the construction manager for pre-construction services.

5. Surveys & Tests

Costs associated with surveys, soil tests and all construction tests to be paid by the owner, such as concrete tests & HVAC system tests.

6. Inspection Services

Costs associated with inspections, e.g. architect/engineer's project representative, roofing inspection, threshold inspection.

7. Impact/Environmental Fees

The fees required to be paid to governmental agencies or other utility providers.

8. Permit Fees

The fees paid to the State Fire Marshal's Office for reviewing plans for compliance with fire code and fees paid to the University Building Code Administrator's Office for permit and inspections.

9. Insurance Consultant

The cost of services to analyze, verify and monitor insurance coverage provided by the design professional and construction contractor.

10. Art Work

Section 255.043, F.S., requires the set-aside of funds for the purchase of art on all new construction projects. The art amount should be one half of one percent of the original construction estimate for new space, not exceeding \$100,000.00. If the construction amount includes funds for both renovation and new construction, only the portion provided for new space should be considered in the calculation of the art amount. Once established, the art amount is not changed unless the construction amount is increased substantially.

11. Moveable Furnishings & Equipment

Includes the costs associated with moveable furnishings and equipment.

12. Project Contingency

Reserved for unforeseen design and construction costs and incidental expenses, such as advertising. In general, this amount should not be less than 3% of the construction amount prior to receipt of bids for new construction and should not be less than 5% of the construction amount prior to receipt of bids for renovation projects.

13. Narrative

Each COIP request shall contain a descriptive narrative. The narrative on the initial COIP provides a brief description of the project and a description (fiscal year and source) of the funds being used to establish the project. Thereafter, when the COIP is revised, the narrative describes in detail the purpose for the revision, e.g. transfer or addition of funds, project close-out, etc.

E. REVISIONS TO EXISTING COIPS

If the COIP request is a revision to an existing COIP, the request must display the currently approved budget categories and amounts, as well as the proposed budget categories and amounts.

F. REVIEW AND APPROVAL PROCESS

The Project Administrator prepares a draft COIP for review by the Project Manager. Each COIP for a project is numbered consecutively in the bottom margin. After approval by the Project Manager, the Project Administrator prepares a final COIP for review by the Director of FDC and final approval by the Associate Vice President for Facilities.

Following final approval, the Project Administrator distributes a copy to the Project Manager, Director of FDC, FSU Construction Accounting and files the original in the project file.

G. PROJECTS FUNDED FROM FUNDS OTHER THAN LEGISLATIVE APPROPRIATIONS

For a major construction project funded from University funds (auxiliary, foundation, grant funds, etc.) the University Construction Accounting office will establish budget based on the COIP. For these projects, FDC will not enter a contract until it has received a certification of fund availability from the University Controller. For auxiliary trust funds, the revenue source must be associated with a specific auxiliary enterprise. For projects funded from revenue bonds, the Department of Education, Office of Educational Facilities will coordinate the request for capital outlay budget from the Executive Office of the Governor as part of the bond approval process.

For projects funded from university funds, the file should contain the following documentation:

1. For grant funds, a copy of the grant agreement.
2. For private gifts or grants which are not on deposit in a university accounts, a custodial trust agreement is required with a provision that the trust is irrevocable and that FSU may withdraw funds when necessary to make payments for the project.

H. ENCUMBRANCE AUTHORIZATIONS AND RELEASE OF FUNDS

An encumbrance authorization represents approval to obligate all Public Education Capital Outlay (PECO) appropriations or Capital Improvement Fee appropriations budgeted within the Capital Improvement Fee Trust Fund. This approval confirms the availability of cash for payments to be made for a contractual obligation. The Construction Accounting section of the University's Controller's Office has responsibility for requesting encumbrance authorizations from the Department of Education. The University must request that sufficient funds be released and receive approval prior to the execution of any contract, change orders, additional service authorizations or any other contractual obligation. Generally, releases are provided for each phase of a project: planning, construction and equipment. FDC must notify the Construction Accounting Office at least thirty (30) days prior to the anticipated dated for execution of the contractual obligation. The Construction Accounting Office will secure the required encumbrance authorization from the Department of Education in an amount sufficient to fund the obligations based on the information provided by the FDC.

I. PROJECT CLOSE-OUT

Upon completion of a project and payment of all obligations, the Project Administrator shall coordinate with the Construction Accounting Office to determine final project commitment amounts. The Project Administrator shall then prepare a final COIP to close the project. The request shall include an account of all revenue by funding source and all expenditures by current COIP budget categories.

FORMS

Sample COIP format



FLORIDA STATE UNIVERSITY
SAMPLE COIP FORMAT



Capital Outlay Implementation Plan (COIP)
Wildwood Halls, FS-265

Florida State University

Approved: Florida State University

Date

Orig to file -- copies to: Dir FD&C
 Proj Mgr

Proj Admin
 FSU Controller

PROJECT BUDGET

<u>SOURCE</u>	<u>CURRENT BUDGET</u>	<u>PROPOSED BUDGET</u>	<u>FUTURE FUNDING</u>
Appropriations to-date (trust fund, fiscal yr. source & phase):			
FSU Construction Trust Fund			
FSU Housing, 2004-2005	\$0	\$1,500,000	
Total - Current Available Sources:	\$0	\$1,500,000	\$1,500,000
Future Appropriations (fiscal yr., source & phase):			
Ancillary Facilities Trust Fund			
Revenue Bonds			\$34,500,000
Total - Current and Future Sources	\$0	\$1,500,000	\$36,000,000

SCHEDULE OF PROJECT COMPONENTS:

1 CONSTRUCTION COSTS			
a Construction Costs	\$0		\$26,733,340
b Additional/Extraordinary Const. Costs			\$2,978,003
TOTAL: CONSTRUCTION COSTS	\$0	\$0	\$29,711,343
2 OTHER PROJECT COSTS			
a Infrastructure Assessment			595,000
b Professional Fees		1,050,000	1,635,500
c Construction Management Fees		260,000	298,000
d Insurance Consultant		0	18,000
e Surveys & Tests		35,000	135,000
f Inspection Services			230,000
j Permit/Impact/Environ. Fees		32,000	95,000
k Fire Marshal Fees			75,000
l Telecommunications			641,000
m Moveable Furnishings & Equipment			770,000
n Artwork			
o Project Contingency		123,000	1,796,157
TOTAL: OTHER PROJECT COSTS	\$0	\$1,500,000	\$6,288,657
3. ALL COSTS (1+2)	\$0	\$1,500,000	\$36,000,000

Purpose of Revision: This COIP establishes the project with \$1,500,000 of 2004-05 FSU Housing Funds. It provides for Professional Fees, CM Fees, Surveys & Tests, plan review fees and project contingency.