

**UAB FACILITIES DIVISION
STANDARD OFFICE INSTRUCTIONS**

**PROJECT CLOSEOUT - RELEASE OF FUNDS PROCEDURES
FOR FORM PREPARATION AND APPROVAL**

PURPOSE:

To determine what funds, if any, can be released to the customer before the official closeout of the project and to define overall procedures for the preparation and approval of the **Financial Closeout Form (+closeout.pdf)**.

PROCEDURES:

- 1.0 Once a project has reached substantial completion and the architects have provided an approval letter indicating completion of the punchlist items, the Project Manager (PM) and the Financial Manager (FM) work closely together to identify residual funds left in the project and to return these funds to the customer.
- 2.0 The FM checks the balance in the ledger 8 construction account to determine funds available.
 - 2.1 If no funds are available, the process of completing the Financial Closeout Form is terminated. The form with the notation "**NO FUNDS AVAILABLE**" is copied to the PM and the original is forwarded to Facilities Central File and is placed in the closeout file.
 - 2.2 If the construction account reflects a deficit balance, the PM and any other responsible parties will be contacted immediately.
 - 2.3 If funds are available, the process of completing the Financial Closeout Form is begun.
- 3.0 The PM inserts the date of the Certificate of Substantial Completion on the Financial Closeout Form.
- 4.0 The PM requests the architect's punchlist approval letter if it has not been received by the time as stated on the Certificate of Substantial Completion. Periodic reports reflecting delinquent punchlist approval letters due from the architect will be generated by Financial Management.
- 5.0 The PM inserts the date of the architect's approval letter indicating completion of punchlist items on the Financial Closeout Form and forwards it to Financial Management for additional processing.
- 6.0 FM determines the total to remain in the construction account by completing and inserting on the Financial Closeout Form the following:

- 6.1 Retainage that is due the contractor. (Information available in database.)
 - 6.2 Other costs potentially due the contractor, including outstanding CO's and CCA's. (Information available from database and PM.)
 - 6.3 Any disputed cost. (Information available from PM and database.)
 - 6.4 Higher of 1% of the PFSR total project costs or sales tax savings. (Information available from the last approved PFSR and database.)
 - 6.5 Cost due Architect and/or Construction Manager. (Information available from FM and/or PM.)
 - 6.6 Outstanding Purchase Orders (PO's) due Contractors/Vendors other than General Contractor. (Information available from FM, PM, Purchasing Department, or the on-line Financial Accounting System [FAS].)
 - 6.7 Outstanding invoices in General Accounting Department. (Information available from FM.) FM verifies that the invoice transmittal figure in the database agrees with the FAS records.
- 7.0 If, after completing section 6, no funds are identified for return and/or current funding is insufficient, the form with the notation "**NO FUNDS AVAILABLE**" is copied to the PM and is forwarded to Central File and placed in the closeout file. If funds are available, the FM forwards the form to PM.
- 8.0 After reviewing the form, the PM forwards the form to the Director of Project Management Services for verification.
- 9.0 The Director signs the form and forwards it to the Director of Financial Management for verification.
- 10.0 Copies of the signed Financial Closeout Form are distributed to:
- Project Manager
 - Department Director
 - Financial Management – Facilities
 - General Fund Accountant
 - Customer
- 11.0 The signed original Financial Closeout Form is sent to Central File and is filed in the closeout file.

NOTE: At the end of the one-year warranty period, these procedures are completed again to determine if any funds held for use during this period remain.

(END OF PROCEDURE)