

DEPARTMENT OF THE ARMY
U. S. Army Corps of Engineers
Washington, DC 20314-1000

CECW/CERM

26 JULY 2019

ACTIONS AFTER NOTICE OF TERMINATION: General Guidance for project close-out Standard Operating Procedures.

1. **Responsibilities:**

- a. **Project Manager/Responsible Employee.** The project manager (PM) is responsible for identifying the schedule, work tasks and associated cost accounts. The manager shall document these requirements in the Project Management Plan (PMP) and on the District schedule. When a cost share project phase is complete, the PM is responsible for reviewing the project costs, balancing the expenditures, requesting cost transfers, calculating unexpended balances, requesting final accounting and return/transfer of funds.
- b. **Resource Management.** The Cost Share Control Manager (CSCM) should reside in Resource Management (RM). RM finalizes the Corps of Engineers Financial Management System (CEFMS) Cost Share Control Record Closeout, to include confirming the funds available to be returned and requesting the appropriate disbursement to be made by the Finance Center.
- c. **Real Estate.** Real Estate (RE) is responsible for timely certification of the values/costs assigned to Lands, Easements, Rights of Way, Relocations, and Dredged Material Disposal Areas (LERRD).
- d. **Engineering/Construction.** Construction will provide Release of Claim for completed construction contracts. Engineering will develop cost estimates for Relocation, Right of Way, and In-Kind credits to be used in LERRD and Work In-Kind (WIK) sponsor credit approval.

2. **Procedures:**

- a. **General.** After each project phase is completed, the cost shared project is balanced to meet proportionate share requirements. **This process may require the request for additional Federal or Non-Federal funds.** Any excess funds are returned or redistributed to fund other activities.
- b. **Confirmation of Costs.** The PM reviews expenditures to confirm costs were properly charged to each project feature. The PM de-commits all remaining Purchase Request & Commitment (PR&C) balances, de-obligates all open obligations and deactivates all associated labor charge codes. Useful CEFMS report id options are:
 - i. Obligations And Related Commitments Report (**cod**).

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- ii. Commitment Documents By Appropriation /Amsco/ Work_Item Report (**comdocs**).
- iii. Detail Cost Ledger Report (**mcl**).
- iv. Funding Account Financial Summary Report (**finrpt**).

Obligations, accrued expenditures and disbursements amounts should be equal on the CEFMS finrpt report or the CEFMS Funding Account Financial Summary Screen (7.14).

PM obtains a copy of the Release of Claim for all project construction and architectural engineering (A/E) contracts to confirm no additional charges or claims will be made against the contracts.

** Contracts should be marked complete in P2 with a Contract Status 5 to show final payment has been made.

- c. **Actual WIK and LERRD.** Because appropriation 96 X 8862 is a trust fund account for Non-Federal cash advances, WIK and LERRD credits are recorded in CEFMS under the Federal appropriation.

Although not paid by the District, WIK and LERRD amounts are resourced in P2. The PM is responsible for obtaining WIK and LERRD support from the sponsor.

Land, Easements and in some cases Relocation and Right of Way Claims are approved/validated by RE. The PM or Engineering approves the value of the other sponsor credits.

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The PM forwards the request for WIK and LERRD credit and associated documentation to the CSCM for review and validation.

CSCM or designated employee enters the actual WIK or LERRD amount in CEFMS, using the work item, resource code, work category code, and work category element provided by PM.

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WIK or LERRD credits should be recorded quarterly or as work is accomplished by the sponsor. The PM shall ensure that the sponsor timely submits status reports (not later than every 90 days) and auditable WIK credit requests (not later than every six months) after incurring WIK costs. The PM shall ensure that initial audit determinations are timely (no later than 90 days after each auditable WIK credit submission).

** For additional information see WIK/LERRD SOP.

- d. **Proportionate Share Review.** The PM identifies and validates that no unshared project costs are recorded in a shared Federal funding register. Unshared project costs improperly charged to a Federal shared funding register must be re-linked by RM in CEFMS Relink Funding Register / Funding Account Screen **(4.823)** or transferred to an unshared Federal funding register.

Proportionate share percentages are confirmed and cost transfers are requested as needed to properly record costs in accordance with the signed agreement.

The available amount resourced in the P2 project must be sufficient to cover the cost transfer before the transfer can be processed.

If additional funds are required from either the government or the sponsor, the project will not be able to be balanced until these funds are received. The PM will be responsible for requesting additional funds from HQUSACE or reprogramming from another eligible project.

If additional Non-Federal funds are required:

- The PM prepares a letter to the sponsor requesting additional funds and provides a copy of the letter to the CSCM.
- The CSCM prepares a CEFMS Cost Share Advance Billing Screen (2.90) and forwards a copy of the bill to the PM.

- e. **Notification to Sponsor.** For most projects, the PM sends a letter or email to the sponsor communicating that the project (or project phase) is complete. Since most PPAs include the options for either/both parties to request an audit of the financial records for the project, the PM's notification should include a request that the sponsor confirms in writing or via email that they either do or do not require an audit of the financial records. This confirmation should be received before the final accounting is begun or any Federal or Non-Federal funds are moved out of the project.

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- f. **CEFMS Cost Transfer Approval.** RM reviews and approves any necessary cost transfers.
- g. **Physical Close.** After all cost transfers have been approved in CEFMS, the PM ensures the following are completed in P2:
- Run “Update Actuals” to bring in all actual costs from CEFMS.
 - Zero all available balances in P2.
 - Mark all physically completed activities as “Finished” and run the interfaces (Update Project, Update Budget, and WI/PRAC). This will put end dates on the work items associated with those activities, preventing any new PR&C creation or PR&C increases.
 - Change the status to “Pending Close” when all work is physically complete and no claims or other changes on contracts are expected, leaving only the fiscal closeout actions in CEFMS. Most reporting on the project will stop while the CEFMS close-out process is being completed.
- h. **Request For Final Accounting.** After all cost transfers have been entered, the PM sends a request to RM for project closeout and sponsor refund (if applicable), including a statement that a Release of Claim has been received and no outstanding liabilities exist.
- i. **CEFMS Closeout Process.** RM verifies the proportionate share amounts and sponsor refund (if applicable). The following actions are taken by RM to close out cost share projects:
- Print the CEFMS Cost Share Control Record Screen **(4.122)**.
 - Verify actual WIK/LERRD credits have been documented and recorded.
 - Print the CEFMS Detail Cost Ledger Report **(mcl)**.
 - Print the CEFMS **finrpt** report or the CEFMS Funding Account Financial Summary Screen **(7.14)** by cost share control number.
 - Print the Sponsor Advance Account(s) Screen (6.3).
 - Run the Cost Share Closeout Report **(cscost)** for a closing checklist.
 - Compare proportionate share requirements are in agreement with actual costs.
 - Confirm the amount requested for refund equals the balance available for return on CEFMS Screen (7.14) or finrpt report.
 - Prepare a final accounting spreadsheet to include:
 - Actual funds received, actual shared costs, approved WIK and LERRD credits.
 - Proportionate share computation.
 - Comparison of computed amounts and actual costs to determine if additional cost transfers are needed.

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- Available Federal and Non-Federal funds.
 - Move available Federal funds to an unshared register, transfer within the project, reprogram if eligible (requires FAD), or revoke (requires FAD).
 - Ensure the balance on the CEFMS Advance Account Screen **(6.3)** equals funds available on the CEFMS Funding Account Create/Update Screen **(2.10.2)**. Use screen 2.7.9 to navigate to screen 2.10.2.
 - Move (or undistribute) available Non-Federal funds from the funding account to the funding register on the CEFMS Funding Account Create/Update Screen **(2.10.2)**.
 - Un-register available sponsor funds on CEFMS Register Cost Share Advances Screen **(2.7.9)**.
 - Adjust the CEFMS Cost Share Control Record Screen **(4.122)** for actual project cost and end date.
 - Run the eligible withdrawal program on the CEFMS Withdraw Sponsor Cash/WIK Generate Report Screen **(4.123)**.
 - Print the Sponsor Cash, WIK, LERRD Summary Report (***spadv***).
 - Run the Cost Share Closeout Report (***cscost***) confirming no variances.
 - Confirm that the amount to be refunded equals the balance available for return on the CEFMS Cost Share Advance Account List Screen **(4.156)**.
- j. **Closeout Letter.** PM verifies the sponsor's address and creates a closeout letter for the sponsor summarizing the funding and total project cost which is routed for the Commander's signature.

RM validates the Vendor Address in CEFMS.

RM sends a request to the Finance Center for a miscellaneous disbursement to the sponsor, if a refund is due. This check can be mailed directly to the sponsor or to the District so that it can be attached to the closeout letter.

- k. **Finalization of Cost Share Control Record.** After the refund check is produced by the Finance Center and the nightly CRONS run, all funded work items should be financially complete on the CEFMS Funding Account Status Screen **(3.5)**.
- Run the Cost Share Closeout Report (***cscost***) confirming no variances.

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- Confirm that the amount to be refunded equals the balance available for return on the CEFMS Cost Share Advance Account List Screen **(4.156)**.
 - Run the eligible withdrawal program on the CEFMS Screen **4.123**.
 - Print the Sponsor Cash, WIK, LERRD Summary Report (**spadv**).
 - Print the CEFMS Cost Share Control Record Screen **(4.122)** which should be marked physically and fiscally complete.
 - Generate the Cost Share Closeout Report (**cscost**) to show that all checklist items are marked "YES".
- I. **Fiscal P2 Completion.** Once the CEFMS financial close-out process is complete, change the P2 project status to "Closed", run the **WI/PRAC Interface** and change the project status to "Inactive". This will put an end date on any remaining open work items, make it easy to filter the project from project lists, and exclude the project from the resource analysis views in P2 Primavera.

When a project is closed, it will require a help ticket to reopen, so ensure everything is complete before executing these steps.

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