



The State University  
of New York

# **Office for Capital Facilities**

## **Guidance Document**

CCP-4

*November 2016*

### **Reimbursement and Ongoing Project Actions**

*A guide for community colleges*

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**1. Foreword**

Guidance documents have been developed to give community colleges and local sponsors a guide to the process for capital projects eligible for State reimbursement up to 50% through the Community College Capital Program. This document outlines ongoing actions for capital projects once all necessary project and financing approvals are obtained. The three initiation steps are as follows and guidance documents for each stage are available:

- 1) [Requesting Capital Appropriation \(CCP-1\)](#)
- 2) [Capital Project Initiation and Revision \(CCP-2\)](#)
- 3) [Capital Project State Financing \(CCP-3\)](#)

*In addition to these guidelines above, the Office for Capital Facilities (OCF) maintains an enhanced website with information and tools for Community Colleges. Other Guidance Documents, forms, and materials currently in effect are centrally located to assist colleges with the Capital Program: <http://www.suny.edu/capitalfacilities/>*

*Also, [SUNY University Wide Policies and Procedures](#) can be located on SUNY’s website, providing additional resources addressing academic, operational, governance, and financial issues.*

References have been made, within this guideline, to various New York State legislation and regulations, NYS Education Law Article 126 and NYS Codes, Rules and Regulations, Parts 600, 603, etc. Readers are to refer to the official documents for details and questions not immediately covered in this document.

Finally, above and beyond all written guidance that we can create or provide reference to, the OCF fully realizes that there are unique issues relative to the capital program and we encourage colleges to contact us at any time to discuss.

**2. Introduction**

Community college capital is regulated by Part 603 of the NY Code of Rules and Regulations, which is based on New York Education Law Section 6304. In this program at least 50% of project costs must be funded by the locality. New York State will fund up to 50% through State appropriation authority.

A college’s local Sponsor is a Local Sponsoring Agency. A typical Sponsor may be a county, a community college region, a city, or a board of education and may have several of these entities overseeing college



operations. The Sponsor, along with the State, students and other counties, supplies the basic fiscal support for the college by establishing the college, providing local financing, accepting title to college real property to be held in trust for the college's use and purposes, approving budgets, and selecting the prescribed procedures for the audit of college funds (8 NYCRR §600.1(c)).

As the Sponsor has fiscal oversight for this program, a college should follow the Sponsor's procurement regulations and allow them to engage with architectural and engineering consultants and contractors. The State's oversight for capital is managed by OCF and most procedures and guidelines are articulated in materials located on OCF's website.

The Community College Capital Program (CCCP) provides reimbursement for up to 50% reimbursement for approved projects. Reimbursement is dependent on the nature of the appropriation: advance, whereby the State portion is supported by bond proceeds from State borrowing; or hard dollar, where financing is directly from New York State. A project can have either or both types of financing. Guidance Document [Requesting Capital Appropriation \(CCP-1\)](#) outlines **STEP ONE** of the initiation process for capital projects.

Projects must be approved by SUNY before financing can be approved and claims for reimbursement can be submitted. Guidance Document [Capital Project Initiation and Revision \(CCP-2\)](#) provides information on the approval process, which is **STEP TWO** of the initiation process for capital projects.

Financing for capital projects, the third and final initiation step is dependent on the type of State appropriation backing the project and the complexity of the project. [Guidance Document Project Financing \(CCP-3\)](#) provides information on **STEP THREE**, the financing process for capital projects.

**Once the three steps are completed, a project can official progress. This guidance document outlines the reimbursement process and ongoing actions through the lifecycle of a capital project.**

### **3. Importance of Schedules and Regular Reimbursement Requests**

OCF estimates capital project disbursements based upon the various projects' scopes, budgets, and schedules and coordinates with the Division of Budget (DOB) to assure cash is available for reimbursement of the State share of project costs. A schedule for the entire project scope allows for the cash-based disbursement system to function most effectively. Providing information on multiple components, including changes to construction schedules, further increases the effectiveness of project cash-flow projections. OCF continually refines its cash flow projection bell curves based upon completed and active project budgets, schedules, and reimbursement patterns.

OCF provides quarterly reports to college staff, affording an opportunity to adjust schedules based upon current project information. If a college is aware of schedule changes to a project, OCF is to be directly contacted at any time.

***It is recommended that colleges request reimbursement on a regular basis, at least quarterly, more so if the project is quickly expending funds.*** Using that information along with current program projections, OCF advocates for regular program bonding to ensure sufficient funds are available for community college capital projects throughout the State.

#### **4. Requesting Reimbursement**

The process for requesting reimbursement depends on the type of appropriation backing the project.

##### ***a. Advance/Bond-financed Claims***

Projects with advance appropriations are funded by State bond proceeds. DASNY oversees bond-financed reimbursement of community college capital projects; OCF receives reports from DASNY at regular intervals informing of disbursements to each college, each project and the balance of bond proceeds available to the program. The college is to copy OCF on its submission to DASNY so OCF will have a record of the reimbursement request and be able to troubleshoot any issues that arise.

Under applicable federal income tax regulations, reimbursement from bond proceeds of a prior expenditure can be made if *not later than 18 months after the latter of:*

- the date the expenditure is paid, or
- the date the project is “placed into service” or abandoned,

*In no event may a reimbursement be made more than 3 years after the expenditure is paid.*

“Placed in Service”, also termed “Beneficial Occupancy Date” at SUNY, generally means the first date on which the project is operating at substantially the level for which it was designed.

The above requirement does not apply to “preliminary expenditures” which include architectural, engineering, surveying, soil testing and similar costs incurred prior to commencement of acquisition or project construction, other than land acquisition, site preparation and similar costs incidental to construction; provided that the amount of such “preliminary costs” does not exceed 20% of the project.

When reviewing requisitions for reimbursement, DASNY determines if the original expenditures were paid more than 18 months prior to the reimbursement date. If this is the case, the expenditures may not be reimbursed unless they are either preliminary expenditures or expenditures for a project that has not been placed into service more than 18 months prior to the reimbursement date and such expenditures were not paid, in any event, more than 3 years prior to the reimbursement date.

If there are any issues with reimbursement, contact OCF for assistance in resolving the problem.

##### **Required forms to send to DASNY/SUNY: Advance/Bond-financed Projects**

Colleges are to send claims to their assigned DASNY Program Manager at their local offices (Project Managers are assigned multiple colleges) with a copy of items indicated by asterisks sent to OCF. DASNY requires original signatures and hard copies of all materials while electronic copies are acceptable for OCF:

- Cover Letter (Word, to be printed on letterhead)\*
- Spreadsheet outlining detail of claim (Excel)\*
- Copies of paid invoices
- DASNY Certificate – Request for Reimbursement (Word)

Reimbursements are to be sent to DASNY within the IRS requirements outlined earlier.

The DASNY Certificate - Request for Reimbursement has recently been revised to reflect the finance application change, which allows for colleges to sign reimbursement requests if projects are directly managed by the college and reimbursements are going to the college. In addition to removal of anachronistic language, the new certification allows for college oversight and management/reimbursement of funds. When requests are developed, the college can sign the DASNY Certificate (having two authorized signatories) rather than the sponsor. An area on the top of the form indicates who is to be reimbursed.

The cover letter has also been revised to reflect the optional process for colleges to submit requests directly without the need for sponsor authorization. This is for projects that are funded by non-sponsor sources and for which the financial components are overseen by the college. There is now a check box to indicate if there is direct college project management and reimbursement. This ensures proper processing by DASNY staff.

#### *DASNY Advance Claim Processing*

Once the DASNY project manager receives the reimbursement request, he/she will review the documentation before forwarding to DASNY Accounts Payable for final processing and electronic payment to the appropriate entity. The project manager may visit the college to see the capital project and ensure the work submitted on requisitions has been completed. Information on DASNY project managers and their local office addresses can be obtained directly from OCF or from the DASNY central office.

#### ***b. Hard Dollar Claims***

As hard dollar funding is disbursed directly from New York State, college requests for reimbursement for these projects are sent directly to OCF's Program Manager for processing.

Colleges are to complete the Claim for State Aid along with the required supplemental materials, outlined below.

Reimbursements are to be sent to OCF within a reasonable time of the original date of payment and no later than 18 months of the project's completion.

Once claims are received, OCF reviews the submitted documentation, and if acceptable approves the claim for 50% reimbursement.

Reimbursements are paid directly from the Office of the State Comptroller. Payments are made electronically to the entity from the State through an Automated Clearing House (ACH) system which increases the speed of the reimbursement process and allows for immediate use of the transferred funds. Colleges and sponsors are already enrolled in New York's State Financial System (SFS) as "vendors", so there is no need to re-register for this program. Any submission without an SFS Vendor ID cannot be processed, and reimbursements cannot be made.

#### **Required forms to send to SUNY: Hard dollar projects (Electronic copies are acceptable)**

- Cover Letter (Word, to be printed on letterhead)
- Claim Form (PDF)
- Spreadsheet outlining detail of claim (Excel)

#### ***c. Non-Standard Project Claims***

When a capital project is being funded in a non-standard way, there may be a modification of

the forms needed to accurately request reimbursement from the State. One example is SUNY 2020 grant funding where 100% of project costs are borne by the State. Another instance is when gifts of property or other in-kind serves as all or part of the local share of project funding. In these instances, colleges must work with OCF in determining the correct process and documentation to reflect these unique circumstances. OCF will coordinate the specific process with DASNY, DOB and any other applicable agency to ensure all issues are fully addressed.

## **5. Other Ongoing Actions**

Other actions are periodically required to ensure OCF information is accurate and to respond to requests of NYS leaders. The following are some examples of such actions but is not a complete list.

### *a. Quarterly Reports*

At the end of the state fiscal quarter, DASNY provides reports on reimbursements. Using these, OCF develops college-specific reports reflecting the current status of projects, project balances per DASNY/State systems, and schedules. OCF requests college review of these reports:

- Are project schedules still accurate? If they have changed, OCF must be informed.
- Do the project balances match what is in college/county records as of the end of that quarter? Please note, the amounts match what was submitted to SUNY/DASNY and paid, not what was incurred. There is a lag between incurring the expense and submission and processing of reimbursement requests. If there is a discrepancy, OCF is to be informed to troubleshoot to determine if claims were assessed to the correct project, a claim is missing from the report or there is another reason for the discrepancy.
- Do any of the projects listed as “future” need to be activated? If so, see Guidance Document [Capital Project Initiation and Revision \(CCP-2\)](#) for process steps.
- Are there projects that are ready to be closed? If so, OCF is to be informed (see information in the section Project Completion and Close Out later in this document).

### *b. Project Changes*

Occasionally there are unanticipated changes to capital projects that should be reported to OCF in order for the appropriate actions to take place.

Colleges are to inform OCF of any project delays as a result of weather, liens, or other types of actions that will likely result in a change of schedule. SUNY will likely have no active role relating to the delay but OCF needs to be aware of these types of issues to adjust cash flow projections and to inform DASNY if necessary.

Budget changes are to be communicated. If changes to a capital project result in a budget increase, additional approvals are required (see Guidance Document [Capital Project Initiation and Revision \(CCP-2\)](#)). A change within budget categories (design, construction, equipment) must be communicated but there are likely no additional approvals needed. If a change to a capital project result in budget decreases, once again OCF is to be informed but no additional approvals are required.

## **6. Project Completion and Close Out**

A project is considered complete when a college has completed all work activities and there is no outstanding reimbursement requests relating to the project.

The college is to contact OCF when a project is complete and all reimbursements have been received. OCF will administratively close the project, and if the project was financed by bond proceeds, OCF will inform DASNY to do the same. A new form has been developed to formally close a capital project.

*a. Close-Out Form*

A Close-Out Form must be submitted by the college with final project details including the final schedule and local project funding sources; a comment area is also provided to relay specific project issues to OCF.

Although information is provided in earlier steps of the process, some may be approximate (ex. local share being provided by chargebacks and fundraising but no amounts provided) and colleges need to ensure exact information is provided to OCF at the conclusion of the capital project. This allows OCF to provide DOB and other NYS leaders with accurate information for past capital activities to reflect the conscientious use of State funding, to emphasize SUNY's community colleges being good stewards of college facilities and to encourage support for future capital requests. The form also requests schedule information to confirm information on file and provide additional dates of activities so that OCF can continue to improve the efficiency and effectiveness of the program.

OCF will release the balance of unused state appropriation previously allocated to the project. Depending on the language in the legislation underlying the appropriation, there may be an opportunity for the college to use the appropriation for future capital needs.

*b. Changes to Data Systems: Physical Space Inventory/Private Use Survey (needs adjustment)*

If as a result of the project the function or private use has changed, colleges are to update the Physical Space Inventory (PSI) System/Building Characteristics Inventory (BCI). Colleges can contact OCF for referral to the appropriate SUNY staff for assistance with the process if necessary. If as a result of the capital project private use has changed, the survey is to be revised if it had not already been amended at the start of the project.

*c. Before/After Photos, Press Releases, etc.*

It is advantageous for OCF to receive information highlighting the capital activities of the community colleges to continue to help in advocacy efforts. Before and after photos serve as helpful items to emphasize the impact of local and State funding for community college facilities and may be used when outreach opportunities arise. In addition, press releases, newsletter articles and other communication pieces can also be valuable. OCF staff would also be happy to attend for ribbon-cutting events to meet local leaders, college staff and students and see the outcome of your capital activities.

**Attachments:** *Current forms can always be found on the OCF website in [Tools](#)*

1. Hard Dollar Claims: *Cover letter, claim form, Claim detail spreadsheet*
2. Advance Claims: *Cover letter, Reimbursement detail spreadsheet, DASNY Certificate for Reimbursement Request*
3. Close Out Form (PDF)

*Not Attached but Available Upon Request:*

4. Certification of Tuition and Fees (annual)
5. Private Use Survey (annual review and amendment of previously submitted information)
6. DASNY Program Manager List for Submission of Reimbursement Requests (for advance claims)