



WISCONSIN ACCOUNTING MANUAL

Department of Administration – State Controller’s Office

Section	11	PROJECT COSTING	Effective Date	7/1/2015
Sub-section	04	Capital Project Budgets	Revision Date	3/31/2015
SAM Ref	7-4			

BACKGROUND

The state Building Commission is responsible for developing and implementing the state building program. Capital projects may be created in the accounting system only after appropriate authorization has been granted by the Building Commission. In some cases, such as small projects less than \$185,000 or with the release of certain planning funding, authorization can come from the Department of Administration’s Division of Facility Development (DFD).

Project budget oversight is maintained by a combination of agency project managers, project managers in the DFD and specialized budget analysts also in the DFD.

The capital accounting section in the State Controller’s Office is responsible for setting up, maintaining and closing project budgets. Other tasks include administering project in the accounting system, covering bonded project costs with bond receipts, assisting agencies with deposits of agency cash into the building trust fund and allocating SWIB investment pool interest monthly.

POLICIES

1. Capital project budgets are set up and modified only with proper authorization and not at the discretion of state agencies or the capital accounting section.
2. Energy rebates and bid recovery settlement receipts are funds contributed to the project by DFD and not the state agency that owns the project. In such cases, these funds will be used as substitutes for bond funding allowing state agencies to enjoy savings thru decreases in their debt usage.
3. Capital project budgets must be tied to the appropriations funding the projects
4. In accordance with the State Building Commission Policies & Procedures Manual, within 30 days of receipt of notice of a project budget setup requiring agency cash, the agency shall deposit the agency funds into the Building Trust Fund on behalf of the project. If this cannot be done, notice must be sent to the State Controller’s Office explaining the reasons for the delay and state when such funds can be deposited.
5. Substitution of cash funds for borrowing authority must be approved by the DFD budget section.

PROCEDURES

Creating a capital project budget

Capital projects will use project activities for budgeting. Typically, the activity code will consist of six characters. The first character will denote the project phase:

- 0- DFD Supervision Fees
- 1- Planning & Design
- 2-Agency Costs
- 3-Construction



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- 4-Equipment
- 5-Land
- 6-Aids or Local Assistance
- 7-Special Purpose
- 8-Aids to Individuals and Organizations
- 9- Allowances

The remaining five characters will be the state appropriation that is funding the activity. The appropriation used for agency funding due to the Building Trust Fund is AGF00. Energy rebate or bid recovery settlement receipts will be budgeted in AGFD0 in order to differentiate these funds from agency funds.

The allocation of project budgets between funding sources and phases are entered in accordance with amounts authorized by the Building Commission and DFD.

Linking capital project activity budgets with state appropriations

When activities are created for the detailed project budgets, they are linked to business unit 86700 and the authorized appropriation referenced in the activity code. This serves as a combination edit, providing assurance that when project costs, encumbrances and revenues post to a project activity, they are posting to the same appropriation in the general ledger.

Integrating capital project budgets with federal grants

There are cases when agency funds due to the Building Trust Fund are actually federal grant receipts. Sometimes a particular capital project can receive federal receipts from multiple grants or multiple grant years. In these cases an agency may contact the capital accounting unit in order to set up specialized activity codes that could use up to an additional five characters if they so choose. This would allow an agency to set up a contract in STAR and link it to the capital project activity in order to capture actual project costs and either bill the federal sponsor or bill the federal grant project which would then link to their federal contract. In either case, federal receipts would be deposited into the agency’s federal appropriation and the agency would process an interfund transfer into the Building Trust Fund porting of the capital project.

Agency deposits into the Building Trust Fund

State agencies should process interfund transfers with general journal vouchers to deposit revenues into their capital projects within the Building Trust Fund. Both sides of the transaction will be in the same general ledger business unit. The State Controller’s Office need not send out STAR billings/invoices since these are not inter-business unit billings.

Additional procedures pending.