

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

CEMP-CM

Regulation
No. 415-345-13

15 August 1989

Construction
FINANCIAL CLOSEOUT

1. Purpose. This regulation establishes policy for financial closeout of projects after acceptance of military construction contracts.

2. Applicability. This regulation is applicable to all HQUSACE elements and field operating activities (FOA).

3. References.

- a. FAR 4.804
- b. ER 37-345-10
- c. ER 415-35-1
- d. ER 415-345-2

4. Policy.

a. It is USACE policy to financially closeout projects as expeditiously as possible after acceptance of construction. Unobligated funds which are in excess of funds necessary to liquidate current or anticipated obligations shall be returned by a revoking directive as soon as surplus funds are identified. Data entered into the Automated Management and Progress Reporting System (AMPRS) will be used to evaluate the effectiveness of FOA financial closeout performance.

b. When more than one project provides funds for a construction contract, financial closeout of the projects shall be accomplished only after final payment has been made on the contract.

c. When a project provides funds for more than one contract, financial completion of the project shall be accomplished only after final payment has been made on all contracts.

d. Projects with any of the following outstanding issues shall not be financially closed until these issues are resolved:

This regulation supersedes ER 415-3-15, 31 January 1985.

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(1) Claims pending before the Corps of Engineers Board of Contract Appeals (ENGBCA), Armed Services Board of Contract Appeals (ASBCA), or a Federal court.

(2) Unresolved A-E liability issues.

(3) Labor violations.

5. General. General information on reporting financial closeouts follows:

a. For purposes of this regulation a "project" is a line item appropriation as established by Congress for the MILCON program or a project established by the user installation or command for other military work.

b. AMPRS serves as the basis for reporting the status of all projects authorized for design and construction. Each authorized project will be subdivided into subprojects for reporting purposes where different locations, contractors, phases, types of funds, multiyear funding or specific local needs are involved. AMPRS identifies projects or subprojects by a "Project Key" (data item 2040).

c. When a project is subdivided into subprojects, AMPRS delay code "FC" or CWE basis code (0790) equal to "J" shall be used on completed subprojects until all subprojects are completed.

d. Financial completion of a project occurs when all obligations have been liquidated, all accounts receivable have been collected, and excess funds have been returned--i.e, cost and current working estimate (CWE) are equal.

6. Requirements.

a. The goal is to financially closeouts all CONUS projects within six (6) months of contract acceptance and all OCONUS projects within twelve (12) months. Acceptance occurs on the date the Contracting Officer accepts the constructed facility(s) required under the contract from the contractor with or without deficiencies (AMPRS data item 0435).

b. Projects with the following types of funding: Modernization of U S Facilities (MOUSF), Foreign Military Sales (FMS), Government of Japan (GOJ), and Government of Korea (GOK) are excluded from the financial closeout performance rating.

c. For purposes of evaluation of the goal, projects not financially closed as a result of any of the following reasons shall be excluded from the financial closeout performance:

(1) Additional work, requested by the user (and approved by Corporate Group for MCA projects), which is added after facility(s) acceptance. (AMPRS delay code F6).

(2) Claims pending before the ENGBCA, ASBCA, or a Federal court and unresolved A-E liability issues (AMPRS delay codes F2, F3, F4, and F5).

(3) Financial closeout is dependent on action(s) by other agencies (AMPRS delay code F7).

(4) Delay code FC or CWE Basis Code "J" as explained in paragraph 5 above.

7. Implementation.

a. District and Operating Division Commanders shall establish written procedures to review, on a monthly basis, all projects which are due for financial closeout, and shall take action to assure that closeouts are accomplished within the time frames stated in paragraph 6 above. The procedures shall include as a minimum:

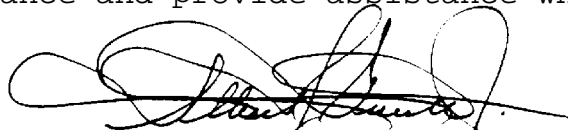
(1) Identification of significant actions which must be completed to allow financial completion.

(2) The responsibilities of the Chiefs of Construction, Engineering, Resource Management, Contracting, and Counsel in effecting expeditious closeout.

(3) Designation of at least one individual to monitor and maintain current status of projects not financially closed within the time frames stated in paragraph 6.

b. Division commanders shall monitor their districts' financial closeout performance and provide assistance when necessary.

FOR THE COMMANDER:



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