

# Activity/Project/Program Closeout - PROC4000

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## Scope

This process covers closeout of activities, phases, programs, including, but not limited to, physical and fiscal completion, asset transfer, contractor evaluations, O&M manuals, and as-built drawings. This includes partial transfers and incremental project acceptance.

This will help facilitate the on-going closeout of financial accounts & documents during the life of the project.

## Policy

### **AR 25-400-2, The Modern Army Recordkeeping System (MARKS)**

[\[http://www.usapa.army.mil/pdffiles/r25-400-2.pdf\]](http://www.usapa.army.mil/pdffiles/r25-400-2.pdf)

### **DFAS-IN 37-1, Finance and Accounting Policy Implementation, Chapter 27**

[\[https://dfas4dod.dfas.mil/centers/dfasin/library/ar37-1/index.htm\]](https://dfas4dod.dfas.mil/centers/dfasin/library/ar37-1/index.htm)

### **DoD 7000.14-R, Department of Defense Financial Management Regulation, Volume 3**

[\[http://www.dtic.mil/comptroller/fmr/\]](http://www.dtic.mil/comptroller/fmr/)

### **ER 5-1-11, U. S. Army Corps of Engineers Business Process**

[\[http://www.usace.army.mil/inet/usace-docs/eng-regs/er5-1-11/entire.pdf\]](http://www.usace.army.mil/inet/usace-docs/eng-regs/er5-1-11/entire.pdf)

### **ER 37-2-10, Accounting and Reporting – Civil Works Activities**

[\[http://www.usace.army.mil/inet/usace-docs/eng-regs/er37-2-10/part1.pdf\]](http://www.usace.army.mil/inet/usace-docs/eng-regs/er37-2-10/part1.pdf)

### **ER 37-345-10, Accounting and Reporting – Military Activities**

[\[http://www.usace.army.mil/inet/usace-docs/eng-regs/er37-345-10/entire.pdf\]](http://www.usace.army.mil/inet/usace-docs/eng-regs/er37-345-10/entire.pdf)

### **ER 415-1-16, Fiscal Management** [\[http://www.usace.army.mil/inet/usace-docs/eng-regs/er415-1-16/entire.pdf\]](http://www.usace.army.mil/inet/usace-docs/eng-regs/er415-1-16/entire.pdf)

### **ER 1165-2-131, Local Cooperation Agreements for New Start Construction Projects**

[\[http://www.usace.army.mil/inet/usace-docs/eng-regs/er1165-2-131/entire.pdf\]](http://www.usace.army.mil/inet/usace-docs/eng-regs/er1165-2-131/entire.pdf)

### **FAR 4.804, Federal Acquisition Regulation, Closeout of Contract Files**

[\[http://www.arnet.gov/far/\]](http://www.arnet.gov/far/)

## Responsibility

The Project Manager (PM) is responsible for

- Facilitating project closeout; however, the required actions will require participation of a number of Project Delivery Team (PDT) Members (transfer of property to customer, transfer of property to Place In Service, and closeout of project financial cost accounts)
- Expensing terminated projects per closeout procedures
- Ensuring that necessary documentation has been received, so that project capitalization costs (accounted for in the Construction-in-Progress (CIP) account) are properly transferred out of the CIP account, and real property accountability is maintained through the responsibility of the Real Property Accountability Officer

The Project Delivery Team (PDT) is responsible for

- Assisting the PM in project closeout, which includes the transfer of property to customer, transfer of property to Place In Service, and closeout of project financial cost accounts
- Assisting the PM in ensuring that necessary documentation has been received, so that project capitalization costs (accounted for in the Construction-in-Progress (CIP) account) are properly transferred out of the CIP account, and real property accountability is maintained through the responsibility of the Real Property Accountability Officer

## Distribution

Project Delivery Team (PDT)\*

Project Manager (PM)\*

Resource Management Office

## Ownership

The BP/P2 Configuration Manager is responsible for ensuring that this document is necessary, that it reflects actual practice, and that it supports corporate policy.

## System References

*Acronyms and Glossary – REF8000[REF8000]*

*CEFMS Users Manuals Online[<http://rmf31.usace.army.mil/cefmsdoc/>]*

*Earned Value Management – REF8018[REF8018]*

*Lessons Learned – PROC3020[PROC3020]*

*PMP/PgMP Content – REF8005[REF8005]*

*Project Execution and Control – PROC3000[PROC3000]*

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## Activity Preface

This process is performed whenever projects and/or phases of projects, including specific activities, are completed or terminated. Projects can also include oversight of contracts, such as Service and IDIQ. The initiation of this process will derive from *Project Execution and Control – PROC3000[PROC3000]*. It is important to remember that closeout of projects and/or phases of projects may serve at least four critical purposes: (1) transferring of cost to the appropriate accounts, (2) reprogramming excess funds, (3) recording of post-completion events and decisions made, and (4) providing an administrative record to serve as a basis for judicial review and community relations. It is also important to reference *Lessons Learned – PROC3020[PROC3020]* during this process.

District SOP's for transferring costs from Construction-In-Progress (CIP) accounts should address the majority of steps shown below. Best business practice is for District SOP's to include fiscal closeout, as well as physical closeout for asset management and real property accountability. District CIP SOP's should ensure that District's General Ledger Accounts properly reflect projects as complete or under construction. Note that the joint Review of Commitments and Obligations requirement is a quality assurance process to steps 1-5. Reference *DoD 7000.14-R, Department of Defense Financial Management Regulation, Volume 3*, [<http://www.dtic.mil/comptroller/fmr/>] and *DFAS-IN 37-1, Finance and Accounting Policy Implementation, Chapter 27* [<https://dfas4dod.dfas.mil/centers/dfasin/library/ar37-1/index.htm>]. If the project is complete, you will continue on to the Operation & Maintenance (O&M) phase. Otherwise, you will return to *Project Execution and Control – PROC3000[PROC3000]*.

### Project Manager (PM)

1. Ensure PDT reviews unliquidated obligations and commitments in CEFMS for completed activities.

### Project Delivery Team (PDT)

2. Clear outstanding obligations and commitments.
3. Close work items/reallocate funds, if appropriate.

**If activity has an asset work item, goto task #4. Otherwise, goto task #5.**

4. Process cost transfer or Place in Service, in accordance with applicable regulations, policies, and District SOP's.
5. Continue.

### Project Manager (PM)

**If completed activity(ies) represents completion of a product or project phase, goto task #6. Otherwise, End of Activity; goto *Project Execution and Control – PROC3000[PROC3000]*.**

6. Turn over to the customer the completed product, including as-built drawings and O&M manuals.
7. Ensure PDT completes all closeout documents (e.g., contractor and A-E evaluations, A-E evaluations, and transfer documents), and that they are done in accordance with applicable regulations.

### **Project Delivery Team (PDT)**

8. Complete all closeout documents and request feedback from customer.

A standard questionnaire available USACE-wide, or developed by local SOP, will provide measurable feedback from our customers.

**Stop and complete Lessons Learned – PROC3020/PROC3020.**

**If all activity work items are closed, all funds reallocated to project work item, and all claims settled, goto task #9. Otherwise, End of Activity; goto Project Execution and Control – PROC3000/PROC3000.**

### **Project Manager (PM)**

9. Determine if project is cost-shared.

**If cost-shared, goto task #10. Otherwise, goto task #12.**

10. Examine total expenditures for each type of funds to determine if correct cost-sharing exists.

Each project which is cost-shared has a certain percentage that is paid by the customer in cash and/or other contributions, such as in-kind services or LERRD credits. CEFMS has the capability to determine the balancing of these percentages at the completion of a project.

Refer to Section 26, Cost Sharing, of the CEFMS Users Manual [[http://rmf31.usace.army.mil/cefms/doc/user\\_manuals/sec26-cost-share.pdf](http://rmf31.usace.army.mil/cefms/doc/user_manuals/sec26-cost-share.pdf)]

Also refer to ER 1165-2-131, Local Cooperation Agreements for New Start Construction Projects [<http://www.usace.army.mil/inet/usace-docs/eng-regs/er1165-2-131/entire.pdf>].

### **Project Delivery Team (PDT)**

11. Process cost transfer as necessary, in accordance with cost-sharing requirements and applicable regulations, policies, and local SOPs.

### **Project Manager (PM)**

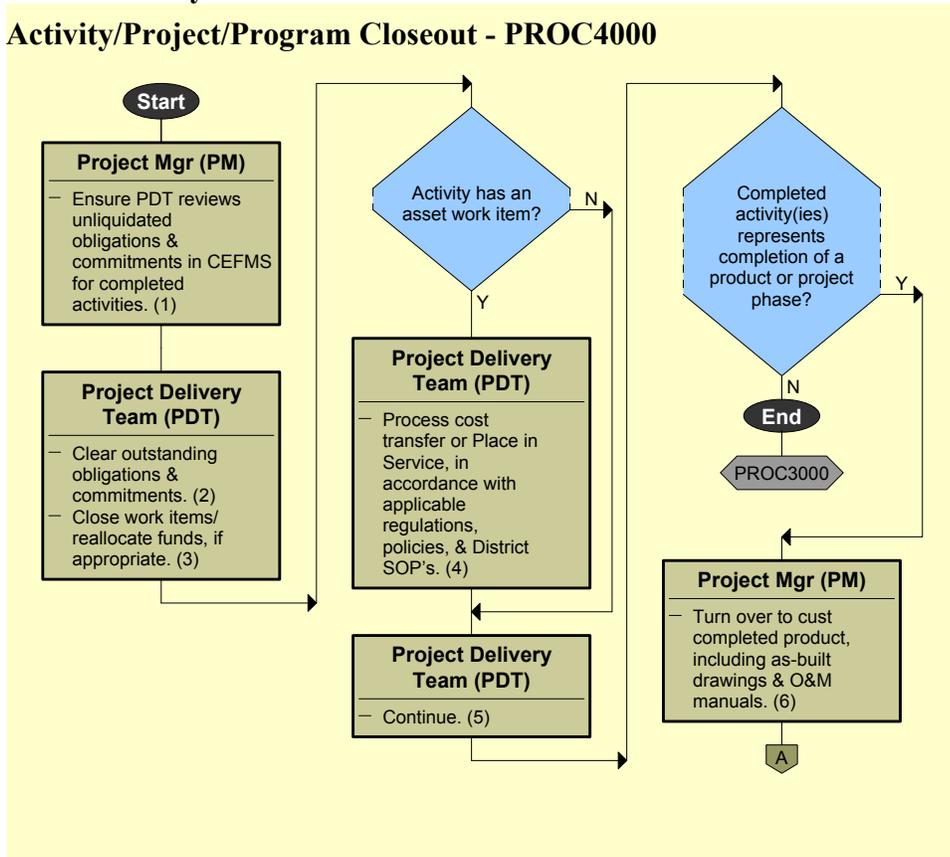
12. Prepare and send customer memorandum closing project with appropriate documents attached.

13. Organize records and store/archive properly.

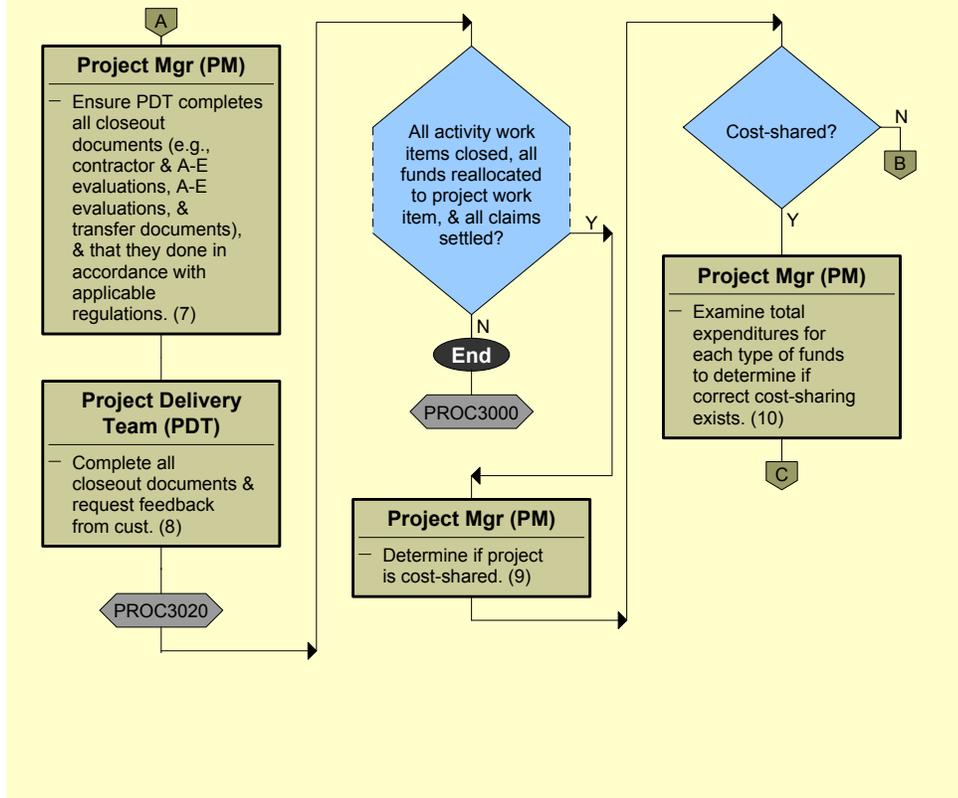
Ensure files are maintained in accordance with MARKS. These records include such things as project files, technical documents, reports, plans and specifications, financial documents, etc. Refer to *AR 25-400-2, The Modern Army Recordkeeping System (MARKS)* [<http://www.usapa.army.mil/pdffiles/r25-400-2.pdf>].

**End of activity.**

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