MEMORANDUM

To: Vice Presidents, Administration
   Executive Facilities Officers

From: Elvyra F. San Juan, Assistant Vice Chancellor
       Capital Planning, Design and Construction

Date: November 2, 2010

Re: Certifying Project Claims per Budget Letter 10-09

Background
In Budget Letter (BL) 10-09, the Department of Finance (DOF) initiated a plan for requesting and managing upfront bond proceeds for the state funded capital program. This letter, which supersedes BL 08-33 and 09-15, states that following the suspension and restart of capital projects, and the requirement of departments to secure upfront bond proceeds “before making any binding commitments”, said departments can now plan on having those bond proceeds at specific times of the year. Essentially, with BL 10-09, the DOF and the State Treasurer’s Office (STO) were moving from a reactionary mode (to the state’s budget crisis) to a cyclical planning mode to assist departments in both anticipating and managing the upfront bond proceeds. While not explicit, there were other changes that went into effect per BL 10-09.

Submitting Claims/Plan of Financial Adjustments to State Controller’s Office (SCO)
Per instructions in BL 09-15, departments (campuses) have provided the SCO with a letter certifying that the cash balance in the upfront bond proceeds account is sufficient to cover the current claim, reporting for that project the current claim amount, previous claims submitted, and the cumulative amount, as well as the total claim against that account for the agency as a whole (CSU). In the last section of BL 10-09, Plan Updates, departments are delegated responsibility for “managing their bond proceeds allocated from each bond sale.”

Campuses are still required to submit claims/plan of financial adjustments to Capital Planning, Design and Construction (CPDC) via claims@intranet.calstate.edu in order to comply with reporting requirements on project expenditures, as well as projecting cash needs. CPDC will continue to issue certification of cash letters for campus records only. The campus is no longer required to submit the certification letter to the State Controller’s Office. Campuses can immediately implement this change in their SCO claim submittal process.
CPDC will continue to use the campus submittal to clarify any discrepancies when reconciling cash allocations versus expenditures for systemwide reporting to DOF/STO and for preparing requests for new bond sales. With each new bond sale the respective cash transfer forms will be posted to the Chancellor's Office website and CPDC will issue a revised submittal form for campus use to submit claims/plan of financial adjustments to the CPDC capital claims database.

Should you have questions regarding the content of this memorandum, please contact Nancy Freelander-Paice, Executive Program and Fiscal Manager, (562) 951-4087, npaice@calstate.edu.

ESJ:NFP