

Guideline for Reimbursement of State Funded Projects

160-5-4-.16 (a) 10

Educational Facility Site,
Construction and Reimbursement

State Department of Education
Facilities Services Unit

Effective Date: 05-30-12



Guideline for Reimbursement of State Funded Projects:

This guideline applies to all construction projects for which State Capital Outlay Funds have been appropriated.

Common Timeline of Events Necessary for Funds to be Available for State Capital Outlay Projects:

June – Aug 15 School Systems submit a funding application for State Capital Outlay Funds to the GaDOE

Sept. 1

The Facilities Section submits all applications to the Governor's Office of Planning and Budget (OPB) to be included in the upcoming State Budget

September

School Systems return a signed application for State Capital Outlay Funds to the GaDOE

March- April

The Georgia Legislature approves and appropriates funds for State Capital Outlay Projects

April-May

The Governor signs the upcoming FY budget including the appropriated funds for State Capital Outlay Projects

June

Contracts for approved Capital Outlay Projects are created and sent to School Systems

July

Local School Boards approve contracts for State Capital Outlay Projects and return a signed copy to the Facilities Services Section of the GaDOE

Capital Outlay Program:

The Capital Outlay Program is a reimbursement program. All expenditures must be paid by the local school system before being submitted to Facilities Services for reimbursement. Under no circumstances will state funds be given to a local school system before the project has started or expenses have been paid.

Reimbursement Bonds:

The Georgia Department of Education's (GaDOE) Capital Outlay Program is funded with Reimbursement Bonds issued by Georgia State Financing and Investment (GSFIC).

Reimbursement bond means the portion of an issue allocated to reimburse an original expenditure that was paid before the issue date. (IRS 26CFR 1.150-2) Reimbursement bonds are different from other bonds due to Internal Revenue Service (IRS) Regulations that are imposed on them. As with any money that has federal regulations, there are arbitrage requirements that must be met. The GaDOE enters into a contract with GSFIC and we agree to expend bond funds within the following time frames:

Five percent (5%) of the bond proceeds must be paid-out within six (6) months of the sale date in order to meet the arbitrage requirements.

Eighty-five percent (85%) of the bond proceeds must be paid-out within three (3) years of the sale date in order to meet the arbitrage requirements.

One-hundred percent (100%) of the bond proceeds must be paid-out within five (5) years of the sale date in order to meet the arbitrage requirements.

Construction Start Date:

When a school system submits an application for capital outlay funding, the system must also submit a notice of the construction start date for that project. The construction start date serves two important purposes:

The start date is sent to GSFIC to declare the official start date of the project. Any expenditures that occur before the declared start date are not eligible for reimbursement. The construction start date is used to determine how much money to sell for each bond series. Failure to proceed with and/or complete project(s) in a timely manner causes GaDOE to sell bonds in excess of what is needed. Bond funds that do not meet the arbitrage requirements stated above are considered non-compliant by GSFIC. A significant amount of non-compliant bond proceeds will cause GSFIC not to sell bonds for the GaDOE, which means no funds will be available to reimburse local school systems for eligible expenditures listed in the Capital Outlay Program application.

Capital Outlay Projects:

Proper planning is essential for the Capital Outlay Program to run efficiently. All Capital Outlay Program Projects should be completed in the order in which applied.

Sequence of Events:

The following sequence of events must be followed in order for a school system to receive reimbursement on a State Capital Outlay Project:

A contract with an design professional is completed according to GaDOE Rule 160-5-4-.11: Architectural Contracts and Fees along with the required Mandatory Addendum to the Owner/Design Professional Agreement for Projects Funded in Whole or in Part with State Capital Outlay Funds

Plans and Specifications are approved by the Facilities Section of the GaDOE according to GaDOE Rule 160-5-4-.10: Approval of Plans and Specifications and 160-5-4-.15: Processing of Plans and Specifications for Public School Construction

The project is publically advertised according to GaDOE Rule 160-5-4-.18: Bidding Requirements for School Capital Outlay Projects

A contract is awarded for the construction project

Note: When a construction management method is used and when the design professional and construction manager services are provided by one company, then item two will occur after item four.

Submission of Documents to Receive Reimbursement for Capital Outlay Projects:
All reimbursement related documents are sent to: Georgia Department of Education Facilities Services Unit, 205 Jessie Hill Jr. Drive SE, Suite 1670 East Tower, Atlanta, Georgia 30334. All requests for reimbursement are required to have a cover letter listing the following: Facility Name, Facility Number, State Capital Outlay Project Number, school systems contact information, and the total amount requested. The total amount requested should be identified in the following broad categories: Architectural, Construction, Geo-Technical, and Other.

The documents listed on the Contract Document Checklist for Reimbursement must be received by this office before the reimbursement process begins. In addition, a fully executed Contractual Agreement must be file in this office before any reimbursement requests will be processed. All documents regarding reimbursement are located on our website.

Submit the following documents within 30 days of signing an architectural contract:

Architectural Contract

Mandatory Addendum to the Owner/Design Professional Agreement for Projects Funded in Whole or in Part with State Capital Outlay Funds

Design Professional's Insurance Certificate

Submit the following documents within 30 days of signing a construction contract:

Publisher's or Website Affidavit of Advertisement

Certified Tabulation of Bids

Construction Contract

Performance Bond

Payment Bond

Contractor's Insurance Certificate

If a construction manager method of delivery is used, then also submit

Construction Management Firm Contract

CM Bid for Proposal

CM Evaluation Score Sheet

All of the above documents and a signed copy of the State Capital Outlay Application, State Capital Outlay Contract, and a Project Start Date Letter must be received before any funds may be reimbursed.

The local school system must continue to submit the following documents monthly until the project is completed

Change Orders (if any)

Request for Reimbursement DE Form 0263 and schedule of values
Summary of Stored Materials

Any invoices received by the GaDOE Facilities Services Section that are more than 18 months old when the bonds were sold are not eligible for reimbursement.

Submit the following documents after the project has been completed:

Certificate of the Board of Education

Design Professional Certification

Asbestos Certification

After the forms listed above are received, DE Form 0089 Project Cost Certification will be completed by the GaDOE Facilities Services and sent to the school system superintendent for signature. When the signed form is returned to the GaDOE Facilities Services, a request from the GaDOE to GSFIC to make the final 10% payment to the school system will be made.