

TRANSFER OF FUNDS TO THE ARCHITECTURE REVOLVING FUND (ARF)**6868**

(New 5/98)

Section 14957 of the Government Code establishes ARF which receives, through transfer, funds for the construction, alteration, repair, and improvement of state buildings, including:

- 1) Studies,
- 2) New construction,
- 3) Major construction and equipment,
- 4) Minor construction,
- 5) Maintenance,
- 6) Improvements,
- 7) Equipment, and
- 8) Other building and improvement projects.

Transfers require approval from DOF. Construction funds transferred for major capital outlay projects may not exceed the amount necessary based on competitive bids. Any excess amounts must be transferred immediately back to the source fund through the reversion process. DOF also approves the use of ARF to advance the cost of federally or locally reimbursed projects, provided assurances specified in statute are received from the federal government. Money in ARF is available for the purposes transferred without regard to fiscal year; however, funds in ARF will revert to the originating fund source if they are not encumbered within three years of being placed in ARF or within three months of a project's completion (see Section 6856) in accordance with Government Code Section 14959. DGS tracks expenditures in the ARF and generates a Return of Funds Transfer for any unencumbered balance that remains beyond the earlier of these time frames. Time extensions may be approved by DOF. DGS estimates upon receipt of bids are considered valid encumbrances for determination of the amount of an unencumbered balance.

Forms used to transfer funds to ARF:

1. Transfer of non-bond funds: Client departments use *Public Works Board Authorization and Transfer Request* form, STD. 22,, to move *non-bond* funds into of ARF. This form is initiated by DGS when it serves as project manager. This form is available from DGS.
 - a. Departments use STD. 22 to transfer funds to ARF for each budgeted phase of a capital outlay project. This type of transaction is approved by the *DOF capital outlay analyst* for the department.
 - b. Departments also use STD. 22 to transfer support funding for those facilities expenses (such as carpeting or modular furniture) which are classified as state operations. This type of transaction is approved by the *DOF support analyst* for the client department.
 - c. Since the same form is used to transfer either support funds or capital outlay funds into ARF, the client department must correctly identify the nature of the transaction—i.e., support or capital outlay. Section 6806 identifies how facilities expenses are classified by character of appropriation.
 - d. Except as allowed in Section 6.00 of the Budget Act, transfer of *support* funds to ARF for *capital outlay purposes* is not allowed. See Section 6806 and 6807 of this chapter. Section 6.00 transfers of support funds to ARF must be approved by *both* the DOF support analyst and the DOF capital outlay analyst. Submit the original STD. 22 to the support analyst, with a copy to the capital outlay analyst. The last day to submit a STD. 22 for a Section 6.00 purpose is April 30. Allow 30 days for DOF review and 30 days for review by JLBC, as needed.
 - e. Due to the volume of proposed STD. 22s at the end of the fiscal year, and the potential for incorrect classification of the request, departments must allow extra time for verification by DOF of the nature of—and need for—the transaction. Proposed transfers to ARF which cannot be verified in the time available will not be approved.

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2. STD Form 22 Instructions Related to Capital Outlay Transfer Requests:

To complete STD. 22 related to Capital Outlay transfers, provide the described information for each of the following fields:

- a. Work Order Number - The DGS/RESO work order number.
 - b. Description of Project - "Request transfer of \$_____ to complete the _____ Phase for the following project:" followed by a brief project description. This block may also contain any restrictions and or qualifications on the use of funds, i.e. "these funds will not be utilized prior to _____." (Note: departments cannot request transfer of funds for more than one phase at a time.)
 - c. Date of Public Works Board Approval - The intended date of PWB approval (blank if prior action did not require PWB approval).
 - d. Prior Expenditures for Preliminary Plans -
 - e. Fund - Title of fund(s) from which the preliminary plans were funded; and
 - f. Amount - Total amount of the preliminary plans.
 - g. Total Estimated Project Cost - Latest reported and approved total project cost (as displayed on the Project Cost, Funding, and Schedule Summary).
 - h. Source of Funds -
 - i. Fund - Title of fund(s) from which the transfer will occur;
 - j. Appropriation - Appropriation authority related to each source of funds; and
 - k. Dollar Amount - Amount to be transferred.
 - l. Unencumbered Balance Before Posting This Estimate - Funding available for this project from prior transfers.
 - m. Amount to be Transferred - Dollar amount to be transferred. This amount must match the request in the Description of Project.
 - n. Approved By - The signature of the client department's project manager.
 - o. Funding Certification - The signature of the client department's Accounting Officer.
 - p. Approved By - The signature of the client department's Director or designee.
3. **Transfer of bond funds:** For bond-funded projects, a *Public Works Project Authorization Bond Proceeds Funded Projects* (GS-OSA 220) accomplishes the same purpose as a STD. 22 This form is available from DGS. The form is used to request SCO to reserve a portion of the department's project appropriation authority in a separate account within the appropriate bond fund. This reserve is used to reimburse ARF for actual expenditures.
- a. *All transfer requests from lease-revenue bond funds must be submitted first to DOF's Capital Outlay unit to determine whether the purpose of expenditure is lawful under the bond indenture and state/federal tax law. This applies whether or not the transfer is for a support purpose. The Capital Outlay unit will then coordinate the request with the appropriate support unit in DOF.*
 - b. For budgetary purposes (as distinguished from cash flow purposes), GS-OSA 220 is treated as an encumbrance recorded in the fiscal year in which approved by DOF. Departments which manage their own projects—such as the higher education segments and the Department of Corrections for the new prison construction program—do not use GS-OSA 220.

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TRANSFER OF FUNDS TO THE ARCHITECTURE REVOLVING FUND (ARF)**6868** (Cont. 2)

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4. Form GSA-OSA-220 Instructions Related to Capital Outlay Bond Transfer Requests

To complete form GSA-OSA-220 related to bond transfers, provide the described information for each of the following fields:

- a. Work Order Number - The DGS/RESO work order number.
- b. Description of Project - "Request transfer of \$ _____ to complete the _____ Phase for the following project:" followed by a brief project description. This block may also contain any restrictions and or qualifications on the use of funds, i.e. "these funds will not be utilized prior to _____." (Note: departments cannot request transfer of funds for more than one phase at a time.)
- c. Date of Public Works Board Approval - The intended date of PWB approval (blank if prior action did not require PWB approval).
- d. Amount Requested - Total amount to be transferred.
- e. Cumulative Authorization - Total (net) amount transferred to date including this request.
- f. Signature/Title/Date - The signature of the client department's project manager.
- g. Amount to be Transferred - Dollar amount to be transferred. This amount must match the request in the Description of Project and the Amount Requested fields.
- h. PMIA Loan No. - Loan Number of the loan from the Pooled Money Investment Account prior to bond sale.
- i. Agency Certification - The signature of the client department's Accounting Officer.
- j. Authorized Signature/Date - The signature of the client department's Director or designee.