THE DAY OF "RECONING"

Reconciling Capital Spending with Finance

By Ayden Townsend, Roth IAMS Ltd., FCAPX Ltd. and SLAM Technologies Ltd.

As the March 31 reporting period approaches, District School Boards (DSBs) are faced with the task of reconciling their year-to-date capital project expenditures with EFIS (Education Financial Information System), by May 15, 2020, in order to receive their allocation of SCI (School Condition Improvement) funding.

For the 2019–20 school year, the ministry continues to invest $1.4 billion in funding to support the repair and renewal of school facilities. This includes: • School Condition Improvement (SCI): $1 billion in funding towards SCI, which will allow boards to revitalize and renew aged building components that have exceeded or will exceed their useful life. • School Renewal Allocation (SRA): An additional $40 million in capital funding towards SRA, which will allow boards to address the renewal needs of their schools and undertake capital improvements to older buildings.
*source: https://efis.fma.csc.gov.on.ca/faab/Memos/B2019/B14_EN.pdf

For many DSBs this is likely the first time this year (and potentially since the last reconciliation) you will go into VFA.facility to determine where the capital expenditures can be matched with Requirements. While simply picking the "closest match" will allow you to remain compliant with Ministry reporting requirements, the integrity of the data in your database will degrade over time and the value of Building Condition Assessments (BCAs) to your on-going planning and asset management can become minimalized.

Multiyear planning, carry-over costs, breaking down projects by Uniformat II code, allocating dollar values to individual building component replacement or repair all make best practices reporting a daunting job.

Many strategies exist on how organizations manage the process of tracking the scope of a project and how that translates into useable information that can be reported to the Ministry. A few simple steps can go a long way into making the process easier:

1) Review BCA based needs vs. locally identified needs when selecting work to be done in your Capital Projects. The Ministry's goal is that through funding provided, and work completed on Urgent and High priority needs, the FCI of their entire portfolio of assets will be reduced or at least become "less worse".
2) Determine the priority and duration of the work to be done. Is it something that can be designed in the current fiscal year but wait until next year to complete the work? Do you need to address it immediately?
3) Identify existing Requirements that can be used to address the scope of the project you intend to complete. If none exist, you should create the appropriate requirement, and remember to adjust any existing requirements, when applicable, attached to the System you are doing the work on. If the System doesn't exist,

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you will also need to create a new one either by splitting out from an existing system, or by creating it from scratch, if it was missed during the BCA process.

4) Start adding your requirements into your projects at the planning stage. As the scope of the physical project changes you may need to add or remove requirements to the project you have created to be compliant in your reporting.

We recognize that organizational resources are stretched thin as Property, Facility and Asset Managers are expected to continually "do more with less". However; some planning at the beginning of the process can go a long way in making reconciliation easier for all involved at "crunch time"

This whitepaper was written to introduce the challenges and present what we see as the potential benefits that exist for educational organizations in the public sector.

Our vision is to solve the world's deferred capital renewal and maintenance crisis through collaborative development of integrated asset management strategies. Our hope is that by sharing our ideas and hopefully starting more conversations on the topic that the global Facility Asset Management profession will be able to increase the value of their assets for the benefits of their stakeholders and users.

We welcome your feedback on this and all whitepapers that we publish. Please send your comments to info@rothiams.com or email the author directly at ayden.townsend@rothiams.com. If you are interested in co-authoring one of our whitepapers by exploring specific challenges or benefits to an integrated capital and maintenance strategy, please contact us as well.

For more information on how we are helping clients just like you develop integrated asset management strategies, please do not hesitate to contact us!

**"Reconing" is the process of Reconciliation of Capital Spending with Finance

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Before joining Roth IAMS, Ayden worked at the Thames Valley District School Board (DSB) where, as an Architectural Project Supervisor he was responsible for Minor Capital Projects, Portable Relocations, Naturalized Outdoor Spaces and Managing the Board's Building Assessment Program (pre-planning, on site BCAs, data review, data entry, reporting, and project approvals for Board staff). Ayden also sat on the TAC (Technical Advisory Committee) for the Ministry to assist in the migration to VFA from TCPS.

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Bill Roth is the founder and President of Roth IAMS and FCAPX, as well as the Co-Founder of SLAM Technologies. Together his three organizations are focused on providing expertise and tools that will enable integrated asset management for facilities around the world.

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