

**Liens and Claims**

Roles: Project Manager, Financial Manager, Financial Manager Assistant  
 Project Status: Construction, Substantial Completion, Punchlist, Warranty

<b>Step</b>	<b>Task</b>
<b><i>Upon receipt of a Notice of Claim or Complaint for Accounting</i></b>	
<b>Project Manager</b>	
1.	Enter a negative Change Order for the amount of the claim or lien on the affected contract. Use the date of the receipt of the Claim.
2.	Add the construction budget code <b>10011 Claims/Liens</b> to the budget page.
3.	In the <b>Future Contract</b> field for the budget code line item, enter an offsetting positive dollar amount (same as potential Change Order).
<b><i>Upon notification from legal counsel that the 90 day time period has elapsed or been dismissed with no money owed to the claimant</i></b>	
<b>Project Manager</b>	
1.	Cancel the negative potential Change Order.
2.	Reduce the dollar value added to the <b>Claims/Liens</b> budget code <b>Future Contract</b> column to the appropriate value (\$0 if no other Claims are outstanding).
<b><i>Upon notification from legal counsel that the court has ruled in favor of the claimant(s) and the University is required to pay claimant</i></b>	
1.	The Financial Manager enters a new contract in FCPWeb for the same Division of Work associated with the original contract in the amount that we have been ordered to pay.
2.	The Project Manager changes the associated negative Change Order to <i>Pending</i> status after changing the reason code to <i>Unforeseen Conditions</i> .
3.	The Financial Manager approves the negative Change Order to prevent overpayment of the Contractor which the claim was against.
4.	The Project Manager reduces the <b>Claims/Liens</b> budget line item to the appropriate value (\$0 if no other Claims are outstanding).
<b><i>With the approval of legal counsel, payments to claimants should be made in accordance with normal procedures. If the University receives a release of claim notification or final lien waiver from the claimant, the University will pay the appropriate party and adjust FCPWeb accordingly, with no need for legal counsel concurrence.</i></b>	

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**Additional Information:**

- When a contract has a lien or claim against it, as identified by a change order with justification code of “lien” or “claim”, an icon will appear next to the applicable construction contract and budget code on the Project Contracts and Financial Screen.
- Also, if an entered number is greater than “0” on the budget code 10011 “Claims/Liens”, this icon will also appear next to that budget code on the Projects Financial page.