Policy on Approval of Capital Projects

Capital projects involve the construction, acquisition, renovation, modification, and/or expansion of the physical plant of the University. Departments which are considering capital projects must follow the appropriate steps to ensure that such projects are incorporated into the University budget process, as well as the University’s capital project plan, and that projects receive advance approval in accordance with the University’s Signing Authority and Contract Review Procedure.

To ensure that projects are incorporated into University planning, projects which are being contemplated should first be shared with the Associate Vice President for Facilities Management, by the Vice President who is responsible for the originating department. The Facilities Management Office will review the proposed projects and develop a project cost estimate (including design costs, construction costs, supporting services and a project contingency), which will be shared with the originating department and the appropriate Vice President, as well as the Office of Financial Affairs. The hiring and management of third party design professionals, including architects, engineers, construction consultants, etc., during the development of a project is to be administered through the Facilities Management Office. The originating department and Vice President will then need to submit a detailed funding plan to the Office of Financial Affairs for consideration, to the attention of the Associate Vice President for Finance. If the project is deemed to be viable by the Facilities Management Office and the Office of Financial Affairs, the originating department will need to bring the project forward for formal approval, in accordance with the University’s Signing Authority and Contract Review Procedure.

Under the University’s Signing Authority and Contract Review Procedure, projects with a total cost of less than $100,000 may be approved by a Dean. Projects with a total cost between $100,000 and $250,000 must be approved by a Vice President. Projects with a total cost between $250,000 and $500,000 must be approved by the President, and projects with a total cost in excess of $500,000 require approval by the Board of Trustees. Because the Board only meets 5 times per year, significant advanced planning is required for Board approval.

Approved capital projects will be incorporated into the University budget and the University’s capital project plan based on what is possible and practical, depending on the point in the planning cycles at which a project receives final approval. The University’s draft budget is substantially complete in early January of each year, so for a project to potentially be incorporated into the budget for a fiscal year beginning June 1st, the project would need to receive formal approval by December of the preceding year. Project-related work will not begin until June 1st of the fiscal year for which the project has been incorporated into the University budget.

If a capital project is being funded through donations, before the project begins, the following requirements must be met: 1) a minimum of 75% of the project cost that is being funded by donations must be supported by documented pledges, 2) a minimum of 50% of the project cost that is being funded by donations must be supported by cash gifts that have already been received, and 3) a specific fundraising plan to secure additional pledges for the remainder of the project cost must be submitted to the Office of Financial Affairs. The Office of Financial Affairs reserves the right to modify the aforementioned guidelines for individual projects based on the status of the University’s operating cash balances and projected cash flows, historical experience with fundraising for capital projects, and the magnitude of specific projects under consideration.

If fundraising is planned for a capital project, University Advancement must notify Financial Affairs, so that a separate fund is created in the accounting system to segregate the fundraising for the specific project. Additionally, University Advancement must notify the Facilities Management Office of preliminary project details prior to the commencement of fundraising.