

Appeal

**PROPOSED REVISION TO:** REG 07.15.02, Capital Improvement Budgeting Procedures

**Rationale:** The University Budget Office requests this REG be inactivated. This write up is solely informational. Priorities are set by Facilities in conjunction with Executive Officers. Facilities and the University Budget Office handle all processes.

**Consultation Process:**

8/20/19 Associate Vice Chancellor for Budget and Resource Management authorizes transmittal of PRR for review

— General Counsel preliminary review

8/21/19 [Charles Maimone, Vice Chancellor, Finance and Administration] review, if applicable

— [Relevant NCSU committee or other body] review, if applicable

11/21/19 General Counsel final review, if changes have been made

12/16/19 Executive Officers, or official with delegated authority to review PRR (*PRR Administrator will complete*)

1/13/20 University Council (notification), if applicable (*PRR Administrator will complete*)

NA Board of Trustees (approval/notification), if applicable (*PRR Administrator will complete*)

## **NC STATE UNIVERSITY**

### **Policies, Regulations and Rules**

Authority	<b>Vice Chancellor for Finance and Business</b>
Title	<b>Capital Improvement Budgeting Procedures</b>
Classification	<b>REG07.15.2</b>
PRR Subject	<b>Budget</b>
Contact Info	<b>NCSU Budget Office Director (919-515-2175)</b>

**History: First Issued: February 1, 2002**

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### **1. General Guidelines**

**The following provide general guidance on the establishment, maintenance, and control of capital improvement project budgets.**

**1.1. Memorandum, Office of State Budget and Management, (New Capital Budgeting Procedures, dated July 9, 1982)**

**1.2. Budget Manual, Office of State Budget and Management**

**1.3. UNC Board of Governors and UNC General Administration**

### **2. Capital Improvement Project Definition**

**2.1. A renovation, repair or major maintenance to existing facilities, a major landscape improvement, land or one-time major equipment purchase, or a utility modification in excess of \$100,000 and are accounted for in the University's capital improvement budget code.**

**2.2. All new construction projects are categorized as capital improvement projects regardless of their cost.**

**2.3. If the project is clearly a repair to an existing facility, then we may request State Budget Office approval to do the project as a repair from operating funds. This approval should be secured before proceeding with the project and must follow State Construction guidelines for completion.**

### **3. Project Approval Process**

**3.1. A capital improvement project funded from state funds must be approved as a part of the State Biennial Budget process. It requires the approval of the UNC Board of Governors, the Governor and the General Assembly.**

**3.2. A capital improvement project funded from non-state sources (gifts, federal or private grants, trust fund revenues, or other receipts) may be submitted for approval at any time on an individual project basis. The project, including the source of funding, requires the approval of the Vice Chancellor for Finance and Business, UNC Board of Governors and the Governor.**

#### **4. Establishment of a Capital Improvement Project**

**4.1. For a project that is included in the University Biennial Budget, the college, school, department, or division must send proposals in writing, in response to the budget call, to the Office of Campus Planning for an OC-25 to be established. These proposals are presented at Campus Budget Hearings to a University Budget Committee and, if approved, are submitted in the form prescribed by UNC General Administration to the UNC Board of Governors with a recommended University priority for each proposal. The proposal then follows the approval process set forth above in #1 under the "Project Approval Process" section.**

**4.2. For a project established outside the biennial budget process, the need and method of financing is submitted by a college, school, department, or division, to the Vice Chancellor for Finance and Business. If the University Administration grants approval, the proposal will be referred to the Office of Campus Planning for processing. A cost estimate is prepared and sent to the Office of State Construction for approval of the estimate. Once approved, a written request justifying the need and identifying the funding source is submitted to the Vice Chancellor for Finance and Business and to UNC-General Administration where it follows the approval process specified above in #2 under the "Project Approval Process" section.**

#### **5. Project Management Responsibilities**

**5.1. The Offices of Facilities Planning & Design and Construction Management are responsible for the construction contract award, the day-to-day construction progress by the contractor, the approval of invoice payments for all active contracts, and serving as liaison between the University and the contractor.**

**5.2. The University Budget Office is responsible for creating and maintaining a budget for each approved project; processing all state budget revisions and allotments to establish, increase, decrease, or close-out a project; and all accounting functions including payment of all invoices and preparing and submitting all monthly and special reports for Capital Improvements Projects.**

#### **6. For Additional Information**

**6.1. For information regarding establishment of a project or status of a current project, please call Facilities Planning & Design (515-2121) or Construction Management (515-2989).**

**6.2. For information regarding the budget or expenditures on a project (current or new project), please call University Budget at (515-2175).**