

The Colorado School of Mines capital budget is influenced by the strategic direction of the university, the growth in enrollment and research, the availability of state funds for deferred maintenance projects, and other considerations. These guidelines help to ensure all competing factors are considered and any use of capital funds is fully evaluated and align to the overall mission and goals of the university. As funding availability and needs remain fluid, the allocation of funds is subject to change. This document outlines the overall guidelines and process for implementing the allocation of capital funds, prioritizing capital projects, and making subsequent changes.

Definitions

Capital Projects – projects and/or equipment where total costs are greater than or equal to \$30,000 and/or funded from the capital budget approved by the Board of Trustees. Capital projects, in general, should not fund from departmental General Fund budgets.

Programmatic Facilities – projects that benefit a specific program or function.

- Programmatic Capital Projects: New equipment, construction or major renovation to accommodate new or expanded program needs
- Programmatic Renovation: Improvements to accommodate changes to a program or change use of space or to improve appearance

Institutional Facilities – projects that may cross several functions, may be institution-wide, and are centrally determined and controlled.

- Deferred Maintenance: Maintenance of existing buildings, grounds and infrastructure critical components, which are not funded within the Facilities Management operating budget
- Capital Renewal: In kind replacement of critical building, grounds or infrastructure components with new components (*different than the Colorado Revised Statutes definition for Capital Renewal—see [C.R.S. 24-30-1301\(3\)](#)*)
- Centrally Managed Capital and Renovations Projects: New equipment, construction or major renovation to accommodate or expand institutional needs - these projects often include new buildings, or major renovations to existing buildings, and may be approved (if it exceeds \$5.0 million) by the Board of Trustees due to the size and scope of the project

Space Advisory Committee – the campus committee that prioritizes and recommends to the Capital Committee, Programmatic Facilities requests and associated space that may impact the capital budget. Members include:

- Associate Vice President of Infrastructure & Operations (AVPIO)
- Associate Vice President of Student Life (AVPSL)

- Provost – Academic Affairs (AA)
- Assistant Vice President - University Architect – Capital Planning and Design (CPD)
- Academic Operations Manager – Space Management and Process Improvement (AA)
- Planning Specialist – Capital Planning and Design (CPD)
- Director of Research Development

Capital Advisory Committee – the campus committee that prioritizes and recommends to the Capital Planning Committee (Executive Team), Programmatic Facilities requests and associated space along with changes that may impact the overall capital budget. Members include:

- Associate Vice President of Infrastructure & Operations (AVPIO)
- Senior Associate Vice President of Finance & Administration (SAVPFA)
- Associate Vice President of Student Life (AVPSL)
- Chief Information Officer (CIO) – Information & Technology Solutions (ITS)
- Assistant Vice President - University Architect – Capital Planning and Design (CPD)
- Director of the Office of Design and Construction (ODC)
- Academic Operations Manager – Space Management and Process Improvement (AA)
- Senior Associate Provost for Operations – Academic Affairs (AA)
- Project Administration Manager of the Office of Design and Construction (ODC)
- Principal Budget & Financial Analyst – Financial Reporting

Capital Planning Committee - the Executive Team that approves Programmatic Facilities requests and associated space along with changes that may impact the overall capital budget. Members include:

- Executive Vice President, Chief Operating Officer and Chief Financial Officer (EVPCFO)
- Provost – Academic Affairs (AA)
- Vice President of Student Life (VPSL)
- Vice President of Research and Technology Transfer (VPRTT)
- All members of the Capital Committee, except the Project Administration Manager and Principal Budget & Financial Analyst

Information Technology Executive Council – the Information Technology committee (ITEC) that approves campus-wide Information & Technology Solutions projects. Members include:

- Chief Information Officer (CIO) – Information & Technology Solutions (ITS)
- Executive Vice President, Chief Operating Officer and Chief Financial Officer (EVPCFO)
- Provost – Academic Affairs (AA)
- Vice President of Student Life (VPSL)
- Vice President of Research and Technology Transfer (VPRTT)

Research Equipment Depreciation – Depreciation on equipment directly used for sponsored research (as opposed for instructional purposes). Research equipment depreciation is a component of the

indirect cost rate charged on research projects reimbursed to the university. A cash transfer to deposit cash into the Research equipment reserves index 126563 to fund new major research equipment.

Research Funded Projects – Programmatic Facilities projects funded directly with sponsored research funds as part of a research project.

General Capital Pool Budget Approval and Allocation

Each year a capital budget pool is set up and funded from the approved budget. The allocated budget includes General, Undesignated Auxiliary, and Designated Auxiliary funds. In general, the pool is for the following capital-related items:

- 20% of each funding source will be allocated to Institutional Facilities capital projects for Deferred Maintenance and Capital Renewal (approximately \$750K)
- General Funds equal to equipment depreciation used in the Indirect Cost Rate Calculation will be allocated each year to fund Research Equipment (current funding is \$585,649)
- \$200,000 budget is temporarily allocated each year to ITS for non-standard, large IT campus wide infrastructure and software support – an additional \$300,000 is separately budgeted for ITS campus project requests each year
- \$100,000 budget is for Undesignated Auxiliary funds to repay the General fund for the Traditional dorms loan (ends in FY20)
- \$150,000 budget is set aside specifically to cover Apartment Housing remodeling at Mines Park out of Undesignated Auxiliary funds
- Remaining funds (approximately \$2.0 million) will be used for Programmatic Facilities projects

Subject to budget availability, the capital pool budget allocation above or changes to the allocation will be approved by the Executive Vice President and Chief Operating Officer (EVPCOO). Specific approvals and processes for each type of allocation outlined below.

Institutional Facilities Projects

Approximately 20% of the total capital budget is to maintain university facilities for deferred maintenance and capital renewal. Many of these expenses are ongoing and require funding each year (e.g. carpet replacement, fleet management, concrete repair, etc.). However, some projects are one-time repairs and require new project accounts. The university may also receive state funding for some deferred maintenance projects. Because the amount funded between projects may change each year, the specific allocation must go through an approval process.

Large institutional capital projects need approval from the Board of Trustees when they exceed \$5.0 million. Funding for these large institutional capital projects typically comes from other sources such as debt or gift funds.

Approval

Operations will submit their Institutional Facilities projects requests to the EVPCOO for review and approval. Any project greater than \$5,000,000 needs approval by the Board of Trustees. Additional funding equal to 30% or greater of the original project will require the same approvals as the original project. Unless the total budget for Institutional Facilities exceeds 20% for deferred maintenance and capital renewal, no approval is required from the Capital and Space Committee. Because the approval of large institutional capital projects (>\$5.0 million) occurs via Board policy with funding from other sources, additional approvals are not required.

Timing (dates are approximate)

- Budget Office call for requests – January 1
- Operations submit request to the Budget Office – March 1
- EVPCOO reviews and approves requests (to ensure adequate capital budget pool) – April 15

Recordkeeping and Process

Once the Capital Planning Committee approves the budget, project request sheets must be submitted to the Budget Office for administering and tracking. The Budget Office will review funding sources and appropriate approvals and submit it to the Controller's Office. The Controller's Office will set up a project account that will be created in Banner and cash will be transferred equal to the approved amount. Funds must be spent by the end of the subsequent fiscal year of when the budget was allocated or they will expire and be returned to the original funding source. Any funds remaining after the completion of a project will also be returned to the original funding source. Unused funds **may not** be transferred to other projects or any other funds. For General Fund supported projects, remaining funds will transfer to the over/under reserve index 129479. Transfers to other projects from the over/under reserve will be upon approval of the Senior Associate Vice President of Finance & Administration (SAVPFA). Projects continuing beyond a fiscal year that require annual funding will be monitored by the project manager with balances reported annually to the SAVPFA to ensure funds are spent timely.

The Capital and Space Planning Committee will review new requests received during the year and any requests for funding increases on previously approved projects. After review, changes and/or new project recommendations will forward to the Capital Executive Committee for approval as appropriate. A project request sheet must be submitted to the Budget Office to administer the approvals and the transfer of additional funds.

Research Equipment

The amount equal to the equipment depreciation component of the Indirect Cost Rate calculation for research expenditures will be reserved in a Major Research Equipment project account. These funds are for purchasing scientifically significant research equipment that is crucial to furthering research development across campus.

Approval and Timing

Requests for research equipment funding must be approved by the Vice President for Research and Technology Transfer (VPRTT). The faculty member/center director and Associate Provost will prepare a brief proposal to the VPRTT. The proposal should include the need for the equipment, how it will benefit the university, and who will be the primary user(s). The proposal should also outline all sources of funding for the instrument, both internal and external. It is expected that a majority of the cost will be the subject of a proposal to an external funding source, and that a substantial portion of the funding will be contributed by the principals (Faculty, Center, Department and College) of the request. The VPRTT will evaluate the proposal and determine if the purchase contributes to growth and development in a research area of long-term strategic importance to the institution.

Unless the total budget for Major Research equipment exceeds calculated depreciation, no approval is required from the Capital Committee.

Record Keeping and Process

At the beginning of each fiscal year, the Budget Office will request a cash transfer from the Capital Pool to a continuing project in the Plant Fund for Major Research Equipment equal to the approved budgeted amount. Once approved, the Center or Department will provide copies of the Purchase Order paperwork to the VPRTT Office. In general, funds should be spent by the end of the subsequent fiscal year of when the budget was allocated unless reserves are required to fund large future equipment purchases (e.g. a super computer). Accumulation beyond the subsequent fiscal year must have approval from the SAVPFA. VPRTT will provide an annual report to the Administration and Operations Office summarizing the purchases.

Programmatic Facility Projects

Funding for Programmatic projects may be provided by the capital budget or other sources such as faculty start-up or roll forward funds. Examples of potential programmatic projects include lab or classroom renovations, build-outs for specialized equipment, remodeling projects or any other improvements or changes to space. Such requests may start at a department level, prioritized up through a Vice Provost or Director, before submitted to the Budget Office.

Approval

Approval for Programmatic projects is required from the Space and Capital Committees for prioritization and budget approval. Departments will submit their Programmatic Facilities project requests to their respective Associate Provost or Director for a department level approval at the same time as their operating budget requests. Associate Provosts and Directors will then submit their prioritized request list to the Budget Office (Associate Provosts have approval up to \$30K). The Budget Office will provide a complete list of all project requests to the Space and Capital Committees to prioritize the projects and submit a recommendation to the Capital Planning Committee for approval. The Board of Trustees must approve any project exceeding \$5.0 million. Additional funding must have approval from the SAVPFA and increases equal to 30% or greater of the original project will require the same approvals as the original project.

Timing (dates are approximate)

- Budget Office call for requests – January 1
- Requests are due to the Budget Office - February 1
- Budget Office forwards capital requests to the AVP of Infrastructure & Operations, Space Advisory Committee, and Capital Advisory Committee – March 1
- Capital Advisory Committee submits recommendation of prioritized list to the Capital Planning Committee – May 15
- Capital Planning Committee approves capital projects – May 31
- Prioritized list of all projects and estimates approved – June 15

Recordkeeping and Process

Once the budget has approval, Operations will submit project request sheets to the Budget Office for administering and tracking. The Budget Office reviews the project request sheet for approvals and funding. The project budget sheet is submitted to the Controller's Office, a project account will be created in Banner, and cash will be transferred equal to the approved amount. Funds must be spent by the end of the subsequent fiscal year of when the budget was allocated or they will expire and be returned to the original funding sources. Any funds remaining after the completion of a project will also be returned to the original funding source. Unused funds may not be transferred to other projects or funds. For General Fund supported projects, remaining funds will transfer to the over/under reserve index 129479. Transfers out of the reserve to other projects must have approval of the SAVPFA.

The Capital Committee will review any new requests received during the year as well as funding increases for previously approved projects. Changes and/or new project recommendations (with tentative schedule) will forward to the Capital Planning Committee for approval as appropriate. A project request sheet must be submitted to the Budget Office to administer the approvals and the transfer of additional funds.

Campus-wide Information Technology (ITS) Projects

A separate capital allocation of \$300,000 base budget to fund technology-focused departmental project requests is budgeted to index 250067. In addition, \$200,000 temporary budget is allocated directly to ITS index 292416 for institutional large and infrequent infrastructure and software support.

Timing (dates are approximate)

Both of the allocations post at the beginning of each fiscal year. The schedule for allocating project funding to campus requested projects is as follows:

- Budget Office call for requests– January 1
- Requests are due to the Budget Office – February 1
- Budget Office forwards technology requests to the CIO – March 1
- The IT Executive Council (ITEC) prioritizes all requests and approves specific projects for funding – June 15

Recordkeeping and Process

Once the budget is approved, the Information Technology Executive Committee (ITEC) will submit the spending plan to the Budget Office for administering and tracking. As appropriate, project accounts will be created in Banner and cash will be transferred equal to the approved amount. Funds must be spent by the end of the subsequent fiscal year of when the budget was allocated or they will expire and be returned to the original funding source. Any funds remaining after the completion of a project will also be returned to the original funding source. Unused funds may not be transferred to other projects or funds.

Any new requests received during the year, or funding increase requests for previously approved projects will be reviewed by the ITEC. Subsequent changes and/or new project recommendations will be subject to approval by ITEC. For those projects with separate accounts, a project request sheet must be submitted to the Budget Office to administer the approvals and the transfer of additional funds.

Research-Funded Projects

In some instances, a Research Grant or Contract will fund a capital project directly related to that research. Because these projects are not funded with the capital budget, they are not prioritized with other departmental requests and are not subject to the approval process timeline.

Approval

Research projects require the approval of the Associate Provost or Director, the Vice President of Research and Technology Transfer (VPRTT), and the Office of Research and Administration (ORA) to ensure the activity is appropriate for the restricted fund. The Board of Trustees must approve any projects exceeding \$5.0 million. ORA must approve any funding changes to ensure compliance with the

research budget and restrictions. Any other additional funding equal to 30% or greater of the original project is subject to the same approvals as the original project.

Recordkeeping and Process

In general, most project expenses should be recorded directly in the research project account. These funds will roll into the next fiscal year and expire at the end of the grant. Once approved, they must submit project request sheets to Operations for administering and tracking. Operations will process all purchase orders and invoices directly against the department's research account for the project. All expenditures must be recorded when the grant expires. In some circumstance, project funds may be transferred to a capital project account. In those situations, Operations must submit the project request sheet to the Budget Office for administering and tracking the project account and the transfer. A project account will be created in Banner and cash will be transferred equal to the approved amount by the Controller's Office. Any funds remaining after the completion of a project will be returned to the original funding source. Unused funds may not be transferred to other projects.

Non-Capital Projects

Projects estimated to cost less than \$30,000 are not defined capital projects and typically not funded with the capital budget pool. Expenses for such projects are paid from departmental operating budgets or other identified funding sources such as Classroom Equipment funds, gift funds, or other discretionary funds.

Approval and Timing

Non-capital projects will require the approval of the Associate Provost or Vice President of the respective requesting department. Approval by the Capital Committee is not required unless there is an impact to space needed for the project. Operations will prioritize all requests and determine the estimated completion date. Because operating funds for projects require spending by the end of the fiscal year, all requests will need submitted to Operations **no later than March 31**. Operating funds will not be carried over into a subsequent year for future use. Scheduling of the project will be subject to availability of Operation's staff. Approved requests received after March 31 may require the use of funds from the following fiscal year. Once the project has approval, Operations will have access to the full funding of the project and will administer all purchases within the approved operating index. The department is required to ensure funding is available until the completion of the project.

Recordkeeping and Process

Once approved by the Associate Provost or Vice President of the respective requesting department, they must submit project request sheets to Operations for administering and tracking. Operations will process all purchase orders and invoices directly against the department's operating account for the project. If changes to the project result in total costs exceeding \$30,000, the VP of the requesting

department must submit the project to the Capital Committee for approval as a Capital Project. Any funding exceptions should be requested from the Capital Committee for approval.

Maintenance and Capital Renovation Budget Fiscal Year 2020					
	General Fund	Undes Aux SL	Total GF and UD Aux	Des Aux	Total
FY19 Base	2,547,686	675,000	3,222,686	525,000	3,747,686
FY20 perm reduction to GF Capital Renovation budget	(300,000)		(300,000)		(300,000)
FY20 Q1 restore GF Capital Renovation budget perm	300,000		300,000		300,000
FY20 Q1 restore - Capital temp	56,484		56,484		56,484
Projected FY20 Capital Budget	2,604,170	675,000	3,279,170	525,000	3,804,170
20% for DM and CR	449,537	135,000	584,537	105,000	689,537
Realign Des Aux DM to Dept Reqs	-	-	-	(105,000)	(105,000)
CCIT Campus Wide Projects 1x to 292416	200,000		200,000		200,000
Research equipment reserve 126563 cash tsfr	585,649		585,649		585,649
GF Loan Payback (Traditional Dorms) through 2020		100,000	100,000		100,000
Apartment Housing Remodel / Mines Park		150,000	150,000		150,000
			-		-
Available for Departmental Requests	1,368,984	290,000	1,658,984	525,000	2,183,984
Total	2,604,170	675,000	3,279,170	525,000	3,804,170