WAKE FOREST
U N I V E R S I T Y

REYNOLDA CAMPUS

CAPITAL AND OPERATING PROJECTS ADMINISTRATIVE POLICY

Approved by:	Executive Vice President
Effective Date:	July 1, 2015
History:	
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Policy Number:	3.3.02
Responsible Official:	Facilities & Campus Services, Financial Services
Related Policies:	Associate Vice President, Facilities & Campus Services
	Associate Vice President for Finance & Controller

CONTENTS:

I. INTRODUCTION

This document outlines the policies and procedures governing the proper initiation, review, approval and procurement of capital and operating improvement projects at Wake Forest University. This policy defines the different project types, outlines the project phases, and covers the approval process, procurement bidding requirements, and the different authorization levels. These guidelines do not apply to Wake Forest Baptist Medical Center or Reynolda House, which operate under separate policies. Changes to these guidelines must be approved by the Executive Vice President (EVP).

II. PROJECTS AND PROJECT TYPES

There are two types of projects on campus: Capital Projects and Operating Projects. In order to qualify for the formation of a project, the improvement must be a minimum of $50,000.

A. Capital Projects

Capital projects are generally defined as physical improvements that result in the addition of new infrastructure or the revitalization of existing infrastructure. Criteria used to determine an appropriate capital improvement project relate to:

- The gross dollar amount of the expenditure
- The extended useful life of the facility or equipment
- The infrequent recurrence of the expenditure
- The creation or expansion of a building

Not all physical improvements are categorized as capital. Improvements which do not extend the infrastructure's original life or significantly enhance its net value are not considered capital and are considered operating. Refer to Appendix C for examples.

There are several types of capital projects that are reported to the BOT. These types are listed below. Each type follows the approval rules discussed in Section III.

1. **New Building Construction**

2. **Comprehensive Building Renovations**

3. **Utilities Projects**

4. **Facility Renewal (Deferred Maintenance)** The renewal of University facilities is funded primarily through the capital budget. Facilities & Campus Services (F&CS) prioritizes these projects according to need and funds availability. The approval of the capital budget authorizes facility renewal in aggregate.

5. **Non-Utilities Infrastructure & Grounds:** Non-utilities infrastructure work such as landscape improvements, roads, sidewalks, parking lots are prioritized and budgeted by F&CS. The approval of the capital budget authorizes non-utilities infrastructure projects in aggregate. All non-utilities infrastructure relocations caused by the siting of new buildings are funded within the new building construction budget.

B. Operating Projects

Typical operating improvements are cosmetic improvements, such as carpet or tile replacement and interior painting. Other operating improvements are component part replacements of a larger building system. Funding for operating projects should be requested through the appropriate dean, department head or AVP and included in the departments operating budget, budgeted use of departmental reserves, or annual capital allocation. If these improvements exceed $50,000 in total, consult with Financial Services to determine whether a project needs created. Refer to Appendix C.

III. APPROVAL REQUIREMENTS

The following approvals are required prior to initiation of work and/or commitment of funds to a project. Exceptions must be approved by the EVP.

A. Refer to Section V for a detailed description of the project approval process.

B. A funding plan and budgetary pricing must be established prior to a project being considered for approval.

C. Only upon submission of Project Request and support will a project code (P number) be established. No funds shall be spent or committed prior to the establishment of a project code.

D. Related contracts or Notices to Proceed require appropriate approval by the AVP of F&CS and notification to Procurement Services (PS) in addition to the approval of a project.

E. The requesting department is responsible for coordinating with the Plant Fund Accountant in Financial Services (FS) to ensure that adequate funding is available and transferred regularly to the project code to prevent overdrafts. For projects funded from multiple sources, funding details must be clearly documented and understood by all parties with clear agreement as to the timing, amount and person responsible for such funding transfers. The Plant Fund Accountant is authorized to transfer funds from the designated funding source to cover such overdrafts.

F. The below chart outlines the different types of projects and provides detail on Project Cost, Project Type, Process, Required Approval, Funding Sources and Budgeting.

		Project Cost	Project Types	Process	Sign-offs & Approvals	Funding Source	Budgeting
CAPITAL	Level 1: Small Projects	$50,000 to $250,000, but must meet the requirement for a project discussed in Section I.	Utilities Projects, Facility Renewal and Non-Utilities Infrastructure, Grounds, Room/Lab Renovations, Common Area Renovations, Technology Upgrades, Other Types which meet the definition of a project.	Small projects which don't meet the definition of a Project can still be submitted for University funding, but a P# will not be established. Departments submit requests using the Capital Request Form and the process shown in Section V OR small Projects can be submitted out-of-cycle if the department has sufficient reserves to fund the requested project – use the Project Request Form (Appendix A).	Capital Request: 1. Dean 2. Director or Department Head 3. As applicable, Provost / Athletic Director / EVP 4. EVP (if not completed previously). 5. BOT Project Request: 1. Department Head 2. Project Manager 3. AVP F&CS 4. Director of PS 5. AVP of BFP 6. AVP of FS 7. EVP	Operating budget, department reserves, Central Bank loans and/or gifts/grants.	Projects funded with the operating budget are included in the annual capital budget allocation and are approved in aggregate by the BOT as part of the annual budget approval process. All other projects that use operating funds must be submitted on the Project Request form and are typically emergency repairs.
	Level 2: Medium Projects	Greater than $250,000 but less than $1,000,000	Utilities Projects, Facility Renewal (Deferred Maintenance), Non-Utilities Infrastructure & Grounds, Building Renovations, Major Technology Upgrades, Other Types which meet the definition of a project.	Departments submit requests using the Capital Request Form and the process shown in Section V OR medium Projects can be submitted out-of-cycle if the department has sufficient reserves to fund the requested project – use the Project Request Form (Appendix A).	**Cabinet-level authority** Capital Request: 1. Dean 2. Director or Department Head 3. As applicable, Provost / Athletic Director / EVP 4. EVP (if not completed previously). 5. BOT Project Request: 1. Department Head 2. Project Manager 3. AVP F&CS 4. Director of PS 5. AVP of BFP 6. AVP of FS 7. EVP	Operating budget, department reserves, Central Bank loans and/or gifts/grants.	Projects funded with the operating budget are included in the annual capital budget and are approved in aggregate by the BOT as part of the annual budget approval process. All other projects that use operating funds must be submitted on the Project Request form and are typically emergency repairs.
	Level 3: Large Projects	Greater than $1,000,000	New Buildings, Comprehensive Building Renovations, Utilities Expansion Projects, Facility Renewal (Deferred Maintenance).	Large Project Requests must be reviewed by the Administration and the BOT before commencing design services. See Section V. Once approved by the BOT, the PR Request Form (Appendix A) will be used.	**BOT authority** Project Request: 1. Department Head 2. Project Manager 3. AVP F&CS 4. Director of PS 5. AVP of BFP 6. AVP of FS 7. EVP 8. BOT FC, BOT AC, BOT (Executive or Full) by means of Board Resolution	Departmental reserves, central reserves, internal loans, gifts/grants, external debt financing.	All projects that use operating funds, reserves, or external debt. These projects are usually on the Capital Plan. The BOT must approve the budget, and each phase of the project design for each Large Project. A Large Project report will be provided to the AC and FC at each of their regular meetings.
OPERATING	Level 1: Small Projects	$50,000 to $250,000, but must meet the requirement for a project discussed in Section I.	Grounds, Room/Lab Renovations, Common Area Renovations, Technology Upgrades, Other Types which meet the definition of a project.	Small Project requests are typically submitted as part of the annual budget process that starts in September of each FY. Departments submit requests using the Capital Request Form and the process shown in Section V. Small Projects can be submitted out-of-cycle if the department has sufficient reserves to fund the requested project. In this case, the PR Form (Appendix A) must be used.	Capital Request: 1. Dean 2. Director or Department Head 3. As applicable, Provost / Athletic Director / EVP 4. EVP (if not completed previously). 5. BOT Project Request: 1. Department Head 2. Project Manager 3. AVP F&CS 4. Director of PS 5. AVP of BFP 6. AVP of FS 7. EVP	Operating budget, department reserves, Central Bank loans and/or gifts/grants.	Projects funded with the operating budget are included in the annual capital budget allocation and are approved in aggregate by the BOT as part of the annual budget approval process. All other projects that use operating funds must be submitted on the Project Request form and are typically emergency repairs.

PS shall, in consultation with project technical staff, administer the competitive RFP/bidding process for all approved projects unless otherwise approved by the AVPs. The bidding process shall comply with the University's Procurement Policy and competitive bidding and evaluation requirements.
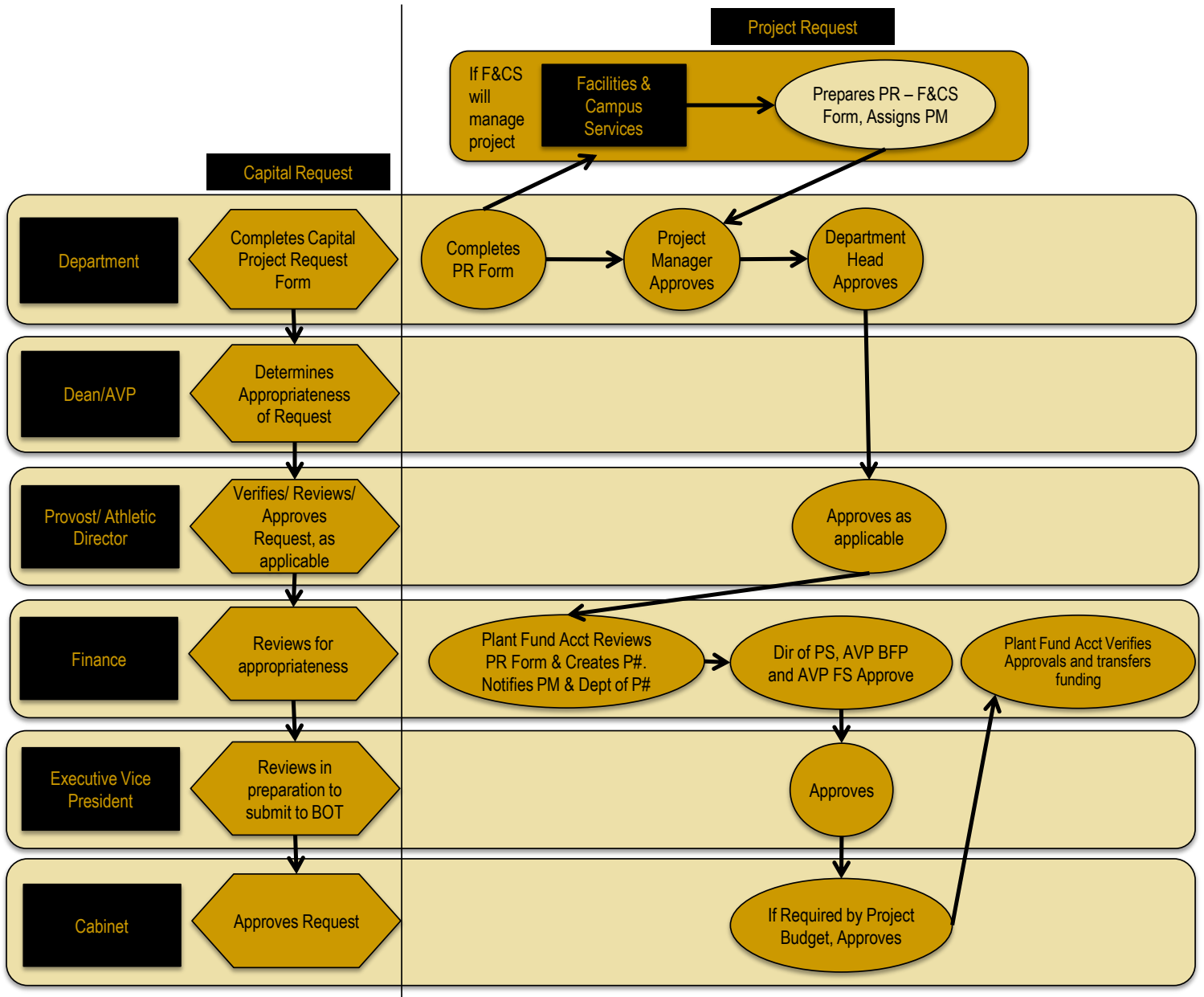
IV. PROCEDURE FOR REQUESTING A PROJECT

A. A school or department may propose a Small or Medium project either through the yearly capital project process on the Capital Request Form or during the year on the Project Request Form. If Project Management is needed from F&CS, the department will first contact F&CS. F&CS will assist the department in determining the scope, feasibility, budget and schedule of the project. Large projects must be introduced to the Cabinet prior to consulting with F&CS.

B. Upon acceptance of the project by F&CS or within the department, the Project Manager will work with the school or department to obtain all necessary internal technical reviews, including but not limited to coordination with the Capital Projects Advisory Committee (CPAC), Information Systems, FS/PS, and Environmental, Health and Safety.

C. All project approvals must be obtained prior to committing funds or exceeding previously approved budgets. Approvals can be requested by project phase: early planning, feasibility, design, construction, as well as for programmatic and owner controlled scope changes and budget modifications. This approval process is illustrated in the flowchart at Section V.

A. Project Process

Project Request

| If F&CS will manage project | Facilities & Campus Services | Prepares PR – F&CS Form, Assigns PM |

Capital Request

| **Department** | Completes Capital Project Request Form | | Completes PR Form | Project Manager Approves | Department Head Approves |

| **Dean/AVP** | Determines Appropriateness of Request |

| **Provost/ Athletic Director** | Verifies/ Reviews/ Approves Request, as applicable | | | Approves as applicable |

| **Finance** | Reviews for appropriateness | | Plant Fund Acct Reviews PR Form & Creates P#. Notifies PM & Dept of P# | Dir of PS, AVP BFP and AVP FS Approve | Plant Fund Acct Verifies Approvals and transfers funding |

| **Executive Vice President** | Reviews in preparation to submit to BOT | | | Approves |

| **Cabinet** | Approves Request | | | If Required by Project Budget, Approves |

B. Project Phases

1. Planning -
   The Senior Officers (President, EVP, Provost) must recommend the initiation of any Planning or Feasibility Study for a Large project. The EVP is authorized to approve up to an amount approved by the BOT in a capital budget request, otherwise any funding must be approved by the President up to an amount not to exceed $1,000,000 (if greater amount, approval must comply with related BOT policy).

2. Design -
   For Large projects, the EVP (up to $1,000,000) or BOT AC must approve the scope and estimated budget of the project before design can commence. Design spending for Large projects is authorized by:

   - EVP, if the project design will not exceed $1,000,000:

   - BOT FC, if the project was not included in the capital budget:

   - Cabinet, if the project was included in the capital budget.

3. Construction -
   For Large projects, the BOT, by resolution (upon recommendation of BOT FC and BOT AC) must approve the recommended construction, based on a firm budget. For Small and Medium projects, authorization to spend construction funds is obtained through the process outlined in Section V.A.

4. Bidding -
   The bidding process shall comply with the University's Procurement Policy and Administrative Procedure and related competitive bidding and evaluation requirements.

C. Scope Changes and Approval

Programmatic scope changes are defined as changes developed and initiated by the department or project manager. Owner controlled scope changes are those proposed by contractors, consultants and/or F&CS. These may occur as new construction-related ideas and opportunities arise that reduce costs or improve outcomes, such as new materials or processes. All significant programmatic and owner controlled scope changes that occur during the design or construction phases and which significantly impact the contingency or total project budget must be approved using the form Project Modification Request Form (Appendix B). The scope of the change and the scope of the new resulting total budget will determine the resulting approvals required. Any change which pushes a project into the Large project category must be approved by all required to approve Large projects.

All scope changes impacting the project budget should be **proactively** coordinated with PS. Per Board approved policy, the President has authority to approve:

> "Amendments of scope and cost to previously Board-approved capital projects, provided that the net cost of the revised work described in any such amendment does not exceed (in the aggregate of all such amendments to a given project) the lesser of the President's contract signature authority for such matters ($1,000,000) or 25% of the original Board-approved project amount. The President or the President's designee shall report to the Finance Committee at the meeting following each such amendment, with an accounting of the project's approval history and total accumulated cost."

D. Budget Modifications

Requests to increase a project budget must be approved prior to those funds being spent or committed using the Project Modification Request Form (Appendix B). In addition, BOT approval is required for Large projects that exceed their approved budget. See previous section on approval authority and procedure.

VI. DEVELOPMENT OF A PROJECT BUDGET

A. Initial project budgets are established at the beginning of the project from either market estimates (informal or formal) or appropriate Project Manager analysis.

B. Project budgets evolve over time and solidify as the design progresses. Larger projects go through four stages of cost estimates: 1) a "place holder" estimate included in early planning; 2) a preliminary estimate after scope definition; 3) a more refined cost estimate after a feasibility study, and 4) a firm construction estimate, after design and bidding.

C. The total project budget includes: design fees, construction costs, consulting expenses, project management fees, the initial complement of furniture and fixtures, expenses related to relocation of utilities and non-utilities infrastructure, and any other anticipated and non-refundable (sales tax) expenses.

D. Related construction projects, such as new utilities infrastructure, while they may not be a part of the project budget, should be disclosed, if known, as supplemental information with the Project Request Form (Appendix A) in order for the Cabinet and BOT to have full costs of the construction project. The Office of Budget & Financial Planning (BFP) will report significant utilities infrastructure costs to the BOT separately from the total project budget.

E. The building project budget will include utilities relocations that may be caused by the siting of a new building.

F. Each appropriate project budget must include a contingency budget line. A contingency is required for the following: design, program, owner, and construction. The project contingency is the greater of 10% of the total budget before contingency or the amount determined by F&CS. Generally, the contingency should be a minimum of 10%. This amount will vary depending on the nature and scope of the project and can range between 5%-25%. The contingency amount must be specifically identifiable and not embedded in other budget categories.

G. Each Large project request must include an estimate of on-going or new operating expenses such as maintenance, utilities, custodial, and IT, approved by either F&CS or FS or BFP.

H. When applicable, construction projects must include a budget item for financing costs. FS or BFP will report financing costs to the BOT separately from the total project budget.

I. The requesting department or project manager should develop a financial plan for funding the construction and future operating costs. This plan, or request for funding assistance, should be included in the Project Request Form (Appendix A).

J. FS or BFP will regularly distribute to senior administration and the BOT a capital projects financial report, to include approved budgets, actual-to-date information, procurement/bidding savings, and expense/funding projections. (Reporting is discussed in more detail in Section IX.)

VII. THE BUDGETING PROCESS

A. The Office of BFP maintains a five-year capital plan, which includes a one-year capital budget and a plan for the next four years. The five-year capital projects plan should be shared with FS/PS for planning purposes.

B. Each year, the Office of BFP will ask departments and schools to submit capital project requests on the Capital Request Form. Instructions and forms for capital budgeting are distributed to VPs and Deans in the fall timeframe. Depending on the internal structure and resources within their school/unit, that VP/Dean determines the process and team that will review needs and coordinate submissions. Each school or department must prioritize requests internally and identify potential funding sources (e.g. department funds, capital budget).

C. Capital budget requests are coordinated through the appropriate Dean or Department Head, which must approve them before being submitted to Office of BFP and F&CS.

D. The F&CS Department consolidates and prioritizes capital project requests for review by the CPAC and the Cabinet. The consolidated request list is provided to the Office of BFP for capital budget planning purposes and PS for facilitating the bid planning and execution process, when applicable.

E. Each year, the BOT FC and AC will review the five-year capital plan, which includes the capital budget for the next fiscal year, and recommends approval to the Full Board of Trustees.

F. Only the BOT FC may modify a capital budget, which is the first year of the five year capital plan. However, schools and departments may continue to update out-year plans (years 2 - 5) with the most current information.

G. The approved capital projects budget funded from General University funds shall be combined to represent the Annual Capital Projects Budget Pool ("the Pool"). BFP will provide budgetary oversight of the Pool with FS supporting the accounting and reporting responsibilities (see Section VIII). This Pool represents all General University funded capital projects.

H. PS, in collaboration with F&CS and the benefiting department(s), shall administer and facilitate the procurement processes for approved capital plan projects to ensure an efficient competitive bidding process that complies with the University Procurement Policy and meets capital project timing requirements. Alike-approved capital projects should be combined for bidding purposes, when appropriate, and competitively bid to maximize buying power and the

University's ability to achieve its best interests in financial, timing, and other determined criteria. Identified and realized savings generated from the procurement process, combined and net of any other project related surplus or deficit, shall revert to the original funding source (e.g., the Pool).

VIII. ACCOUNTING, REPORTING AND CONTROL

A. All Project Request Forms are forwarded to the FS Plant Fund Accountant for creation of project code (P Fund Number). The P Fund allows the project to be monitored by the project manager, the department head and FS. Large projects will not be split into several smaller projects in order to avoid approval requirements. In order to track expenses appropriately, projects with distinctly different scopes will have separate project codes and will not bundled under a single project code. .

B. A comprehensive projects report, updated after the close of each fiscal quarter, reflects funding & expenditures and budgeted expenses & revenues. This report is provided to Senior Administration.

C. The current financial information is taken from Banner, the University accounting system and official ledger of record.

D. Direct salaries should never be charged to construction projects. Typically, project management fees are recorded as internal professional fees, not as payroll expense. Only project expenses within the approved budget may be charged to the project. In addition, depending on the funding source, certain types of expenses are not allowed (e.g., tax-exempt bond limitations). FS will work with PM's as necessary when those funding sources are used.

E. Without prior approval, projects should not run in overdraft. Departmental or University reserves, when appropriate based on original funding source, are the first source of funding for any unauthorized overdrafts. Vendor invoices submitted for payment may have payment withheld while a project is in overdraft. The AVP of BFP may fund overdrafts from departmental reserves if unauthorized overdrafts are not covered by the end of the fiscal year in which the department was notified. Projects that are funded by external debt will run in overdraft until the external debt is issued.

F. The Plant Fund Accountant will forward projects to the Fixed Asset Accountant when the project receives a Certificate of Occupancy, the project is determined to be 90% complete when comparing budget to ITD expenses or when the Project Manager advises the Plant Fund Accountant that the project is complete.

   1. When there are excess funds remaining following the close out of a project, those excess funds will revert to the original funding source. When the original funding source was an allocation by the General University including from the annual capital budgeting process (e.g., the Pool), excess funds will revert to the General University. In the case of split funding, excess funds will be returned to the original sources at the same ratio of contribution.
   2. When a project is forecasted to incur a deficit in funding, the PM shall complete the Project Modification Request Form (Appendix B). This Form will require a description of the cause of the deficit and the planned source of funds to cover the deficit. The AVP of BFP, in consultation with the AVP of FS and the EVP, will then consider the request. If

the Pool was the original source of funding, upon approval, the Pool will be the first source of funds to support the request.

    3. If the project is completed and is able to be closed, but is in a deficit position, a Project Modification Request form will not be required if the exact amount of the deficit is known AND the deficit is the lessor of 5% of the total project budget or $2,500. In this case only, the Plant Fund Accountant, in consultation with the owner of the funding source, can make a journal entry transfer to cover the deficit.

G. The status and financial position of projects will be reviewed regularly with the EVP.

H. Projects that are funded by approved Central Bank loans are charged the applicable blended interest rate, which is calculated annually by FS.

I. As a non-profit organization, WFU is eligible for a refund of sales taxes paid. Vendors are contractually obligated to provide WFU with information required to request this refund. If a vendor has not provided such information, the Project Manager should contact the vendor and obtain this information. If the information is not provided, the project will be charged the sales tax. The project budget and related purchase orders to encumber funds should exclude sales tax when a refund from the state is expected.

J. Project Managers are responsible for ensuring that the project remains on budget and on timeline. Project Managers are responsible to communicate any project changes to FS, PS, BFP and the Responsible Department timely. All projects will be reviewed annually by FS/PS/BFP, and if appropriate F&CS, to evaluate their status and estimated time to completion. Projects should be completed and closed as soon as reasonably possible. Projects cannot be held open for the anticipation of future work or future scope changes.

K. University project contingency funds should be tightly controlled and identifiable to deal with unexpected project developments. All significant programmatic and owner controlled scope changes that occur during the design or construction phase and which significantly impact the contingency or total project budget must be approved by the appropriate body based on the project level. The project manager will track all uses of project contingencies. In general the uses are:

    1. Design Changes - During the design phase, all changes are scope changes and should not be funded using a project contingency.
    2. Construction Changes - Changes relating to unforeseen conditions, designer errors and omissions, code compliance, allowance overages, and time-related expenses deemed acceptable by the owner.
    3. Owner (Wake Forest University) Controlled Changes - Changes proposed by contractors and/or project managers as new construction-related ideas and opportunities arise that reduce costs or improve outcomes such as new materials and processes.
    4. Programmatic Changes - Scope increase to reconfigure the space and/or systems that require additional funding. Construction contingency funds will not be used to cover scope expansion.

APPENDIX A

Project Request   Available Actions: [Add and go to Cart ▼] [Go] [Close] 🖶

Information	?

Note: This form is to be used for NEW projects only. If you are modifying an existing project, please use the form 'Project Modification Request'.

Required fields are in **bold**.

Proposed Project Name: [_____ 🔢]
Sponsoring Org# [_____]
Sponsoring Org Name: [_____]

Describe the project including purpose, benefit to campus, people/buildings affected, and time frame for completion. If the project will include multiple phases, include descriptions of each phase and its respective timeline. Attach any internal memos or other information to support your request.

[   ]

1000 characters remaining   expand | clear

Funding - Phases	?

Will there be multiple phases to this project?   [Please select... ▼]

If Yes, please answer the following questions:
What is the budget for the first phase?   [_____]
What is the estimated total project budget?   [_____]

If No, What is the estimated total project budget?   [_____]

Funding - Source	?

Source 1		Source 2		Source 3	
Fund-Org #	[_____]	Fund-Org #	[_____]	Fund-Org #	[_____]
Fund-Org Name	[_____]	Fund-Org Name	[_____]	Fund-Org Name	[_____]
Amount to Transfer	[_____]	Amount to Transfer	[_____]	Amount to Transfer	[_____]

Total amount to fund project   [_____]

If no funding source identified, you must select one of the choices:
  ○ Emergency repair project. Budgeting must be aware of this project before submission.
  ○ Need to apply for a Central Bank loan for funding. Include Central Bank Agreement with this form.

**For all other non-funded projects, do not use this form. Complete the FYXX Capital Request Form for consideration for yearly University funds.

Project Management	?

Project Manager Name   [_____]
Project Manager ID   [_____]

Proxy Access	?

The department head and PM already have proxy access to this project.

Proxy access allows the user to view all financial information in Cognos. All projects that have a F&CS project manager will automatically include the F&CS project management team as proxies.

Please list anyone else who should be granted proxy access to this project.

[   ]

500 characters remaining   expand | clear

Attachments	?

Please include all supporting documentation including, but not limited to, internal emails, vendor estimates, board resolutions, etc.
Internal Attachments
[Add Attachments]

Financial Services Use Only	?

Banner Maint	☐	Funding source availability	[_____]	**Supplier**	Wake Forest Purchasing
Budget	☐	External Attachments		**Fulfillment Address**	OR Ordering (Finance Only) 1:
Approvals	☐	[Add Attachments]			1834 Wake Forest Drive
Fund	☐				Winston Salem, NC 27106 US
				Commodity Code	[99999999] search...
				Total	**0.00**

APPENDIX B

Project Modification Request

Available Actions: [Add and go to Cart ▼] [Go] [Close]

Information	?

Note: This form is to be used for **existing** project modification only. If you need to request a new project, please use the form 'Project Request'.

Required fields are in **bold**.

Date [ ] [📅]
mm/dd/yyyy

Name of Requestor: [ ]

Project Name: [ ]

Project #: [ ]

Sponsoring Org#: [ ]

Sponsoring Org Name: [ ]

Modification to Project	?

Select one or more modifications for the project:

Add or remove additional project scope or phases	?	Describe the change:
☐		[ ] 2000 characters remaining expand	clear

Add or remove funding	?	
☐		Previous amount funded [ ]
		Current funding request [ ]
		Total funding for project [ ]

Select one of the below options for funding current request:

○ The is an emergency project modification or was originally a capital project. No funding source.
○ Identified source of additional funding (fill below).

Source 1	Source 2	Source 3
Fund-Org # [ ]	Fund-Org # [ ]	Fund-Org # [ ]
Fund-Org Name [ ]	Fund-Org Name [ ]	Fund-Org Name [ ]
Amount to Transfer [ ]	Amount to Transfer [ ]	Amount to Transfer [ ]

Other change	?	Describe the change:
☐		[ ] 2000 characters remaining expand	clear

Attachments	?

Please include all supporting documentation including, but not limited to, internal emails, vendor estimates, board resolutions, etc.

Internal Attachments
[Add Attachments]

Financial Services Use Only	?

Banner Maint ☐	Funding source availability [ ]	**Supplier**	Wake Forest Purchasing OR Ordering (Finance Only) 1:
Budget ☐	External Attachments	**Fulfillment Address**	1834 Wake Forest Drive
Approvals ☐	[Add Attachments]		Winston Salem, NC 27106 US
Fund ☐		Commodity Code	99999999 search...
		Total	0.00

APPENDIX C

Budget Types and Applicable Expenses

Operating Budget: The day-to-day operations of the University are primarily funded through unrestricted funds, and each year the Board of Trustees approves this funding through the annual Operating Budget. The timing of this process and approximate deadlines for budget submissions are detailed in the budget calendar.

Capital Budget: In addition to the daily operations of the University, large projects and equipment acquisitions are required periodically to fulfill the mission of the University and the business units that comprise it. Such requirements are funded through the Capital Budget. The timing of this process and approximate deadlines for budget submissions are detailed in the budget calendar.

	Expense Type	*Description*	*Approx. Cost*
Capital	Capital Improvement (includes new buildings, renewal of existing buildings, infrastructure changes, sports facilities)	The creation of, addition to or restoration of a permanent structure. Some of the criteria used to determine an appropriate capital improvement project relate to: • The gross dollar amount of the expenditure • The extended useful life of the facility or equipment • The infrequent recurrence of the expenditure • The involvement of real property acquisition or development • The creation or expansion of a building. Capital Improvements include construction of new structures, replacement of existing structures, removal of structures which are no longer needed and renewal of existing structures. Under renewal, this includes any improvement that extends the life of that structure by restoring damaged or worn-out facilities components. Examples would be replacing a roof, an HVAC system, a boiler or an elevator.	$50,000 or more and meets the criteria of a project as discussed in Section I.
	Real Estate	The acquisition of land, to include all the natural resources and permanent buildings on it	No limits
	Capital Equipment	Equipment which has a relatively long period of usefulness and which can be relocated or moved in such a way to still perform the original function of the equipment. Examples include construction vehicles, information technology equipment, elevators, sports equipment or laboratory fume hoods.	$5,000 or more to capitalize, $50,000 to create a project
Operating	Maintenance & Repair	Maintenance is the recurring tasks required to insure that an existing item of equipment continues to perform as designed for the duration of its intended life. Such actions include tune-ups, lubrication, calibration, filter-replacements, technology repairs, updating spaces and athletic repairs and belt-replacements. Repair is the activity of putting failed equipment back into normal operating condition. Additionally, recurring service contracts are considered operational.	Less than $50,000
	Cosmetic Improvements	Generally, cosmetic improvements are not depreciable. As such, they are considered operating expense. Examples are replacing carpet or interior painting.	No Limits – consult FS if over $50k
	Furniture & Supplies	Non-fixed furniture and supplies used in the daily operation of a facility are considered operating expenses. Examples include desks & chairs, office supplies, utilities and uniforms.	No Limits – consult FS if over $50k

GLOSSARY OF ACRONYMS

AVP – Associate or Assistant Vice President

BFP – Budget and Financial Planning

BOT – Board of Trustees

BOT AC – Board of Trustees Administration Committee

BOT FC – Board of Trustees Finance Committee

CPAC – Capital Projects Advisory Committee

F&CS – Facilities and Campus Services

FS – Financial Services

PS – Procurement Services

EVP – Executive Vice President