

14.003 Fixed Capital Outlay Projects – University Budgeting Procedures

- (1) Each university will prepare an annual Fixed Capital Outlay (FCO) Budget for all Fixed Capital Outlay (FCO) Projects in accordance with the instructions, guidelines, and standard formats provided by the Chancellor for those FCO Projects as defined in Board Regulation 14.001. The FCO Budget must be approved by both the university board of trustees and the Board of Governors. Such approval remains in effect for the life of the FCO Projects. The annual FCO Budget must include all FCO Projects, including previously approved projects that have not yet been completed.
- (2) FCO Projects shall be listed by category or categories in the University FCO Budget as follows:

FCO Budget Categories

a. Education & General (E&G) Operating Projects – This category is consolidated, and includes all FCO Projects, as defined in Board Regulation 14.001, 1) funded from current year E&G operating funds; and 2) which meet the university's criteria for capitalization. No individual project in this category funded in whole or in part with E&G operating funds shall exceed \$1,000,000, pursuant to Board Regulation 9.007(3)(a)1. ~~Allowable uses include only those Plant Operations and Maintenance (“PO&M”) projects which meet the definition of a Capital Asset as found in Board Regulation 9.001, and may only include 1) maintenance, repair, renovation, remodeling, and demolition of existing educational facilities and existing general site improvements; and 2) new campus infrastructure needed to maintain or improve campus code compliance, related to identified ADA, environmental health and safety, security or sanitation concerns.~~

~~This category must be budgeted as a single identical line in both the operating and FCO budget for purposes of Board of Governors approval. Boards of Trustees may adopt policies requiring more detailed line item budgeting at the local level, including a requirement that plant operations and maintenance be specified to distinguish between PO&M expenses and PO&M Capital Assets.~~

b. ~~Minor~~ Carryforward (CF) ~~Projects- Small Projects~~ – This category is consolidated and includes all FCO Projects with a total cost less than up to \$2 million funded in whole or in part from ~~E&G~~ CF funds. No individual FCO project in this category shall exceed \$2,000,000. Allowable uses include maintenance, repair, renovation, remodeling, and demolition of existing educational facilities and existing general site improvements (E&G campus real property improvements), as well as replacement of facilities less than 10,000 gross square feet. This category must be budgeted as a single identical line in both the carry forward spending plan and FCO Budget. This may also be reflected as one of multiple funding sources under categories State Appropriated Projects and Non-Appropriated Projects.

c. ~~Major~~ Carryforward (CF) ~~Projects— Large Projects~~ – This category includes- are FCO Projects funded in whole or in part from CF funds, where the total individual FCO Project cost exceeds project cost is greater than \$2 million. -This may also be reflected as one of multiple funding sources under categories State Appropriated Projects and Non-Appropriated Projects. Allowable uses include the following:

- i. Completion of a Public Education Capital Outlay (PECO) project that has received a state appropriation and is included on the Board's incomplete project list.
- ii. A renovation, repair, or maintenance project ~~with a total cost where the total CF expenditure on the project is between \$2 million and up to~~ \$5 million.
- iii. A remodeling or infrastructure project, including a developmental research school, ~~with a total cost where the total CF expenditure is between \$2 million and up to~~ \$10 million.
- iv. Repair or replacement of facilities due to damage caused by a natural disaster.

d. State Appropriated Projects includes all FCO Projects using funds originally appropriated as FCO funds by the State of Florida, notwithstanding the criteria provided in Board Regulation 14.001. These funds should never be included in the university operating budget. Examples include PECO and Capital Improvement Trust Fund (CITF).

e. Non-Appropriated Projects includes all FCO Projects that have not directly or indirectly used funds appropriated by the State. Examples of such funding sources would include housing revenue bonds, parking revenue bonds, private donations, federal grants, insurance proceeds, and athletic revenues.

(3) For the purpose of this regulation, Fixed Capital Outlay (FCO) Projects do not apply to those projects acquired, constructed, and owned by a Direct Support Organization or under a Public Private Partnership; the requirements for those projects are addressed in either the Debt Management Guidelines or the Public Private Partnership Guidelines.

(4) The FCO Budget may be amended, subject to use of only the categories authorized in section (2), as follows:

a. E&G Operating Projects - must be approved by the board of trustees or designee.

b. ~~Minor CF Projects~~ Small Projects – Individual new projects up to \$2 million, as well as increases up to \$2 million on individual existing projects, must be approved by the board of trustees or designee.

c. ~~Major CF Projects~~ Large Projects – Individual new projects added to the FCO Budget, as well as greater than \$2 million and increases greater than \$2 million in CF expenditures on individual existing projects ~~greater than \$2 million,~~ require Board of Trustees and Board of Governors approval.

d. State Appropriated Projects – Individual new projects greater than \$5 million, as well as and increases over \$5 million to existing individual projects, ~~greater than \$5 million~~ require Board of Trustees and Board of Governors approval.

e. Non-Appropriated Projects – All new projects greater than \$5 million, and as well as increases over \$5 million to existing projects, ~~greater than \$5 million~~ require Board of Trustees and Board of Governors approval.

(5) FCO Project spending ~~will~~may be reported annually at the end of the fiscal year at the project detail level, in ~~the~~a format specified by the Chancellor.

Authority: Section 7(d), Art. IX, Fla. Const., History–New 5-5-2020, Amended -21.