

# Policy 2.130

## Capital Projects Approval Process and Policy

**Responsible Official:** VP for Finance

**Administering Division/Department:** Office of the Controller

**Effective Date:** September 1, 2008

**Last Revision:** July 7, 2008

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#### **I. Overview**

This policy will explain the capital projects approval process and provide guidelines for the facilitation of these projects. Responsibilities within the University community include:

Campus Services manages the capital project throughout the approval process. Works directly with the EVP of Academic Affairs or the EVP of Health Affairs to submit project to various committees for budget approval.

EVP of Academic Affairs submits University (except Health Sciences) capital projects to various committees for budget approval.

EVP of Health Affairs - submits University (Health Sciences only) and Healthcare capital projects to various committees for budget approval.

Office of the Controller maintains a Project Budget Approval Document for each capital project as it moves through the approval process. This document records each budget approval amount, the date on which each committee approved the budget, and the funding sources for each budget.

#### **II. Applicability**

All employees.

#### **III. Policy Details**

##### **Capital Projects Approval Process**

The capital project approval process at Emory consists of 9 major funding phases with deliverables and approvals required as reflected below:

Stage Name		Deliverables	Approval Required		
1	Project Idea (Step One Paper)	Define criteria scope and program need. Establish benchmarking, cost and schedule to proceed.	-Department / Division -Appropriate EVPs -President's Cabinet -Ways & Means Committee	<b>\$0 - \$150,000</b>	
2	Master Plan Review	Review project for fit and compliance with Campus Master Plan and Master Plan Principles. Consult with University committees and staff involved with environment, traffic and parking. Notify Real Estate, Buildings and Grounds Committee of proposed concept.	-Campus Development Committee		
3	Feasibility Study	Define scope of work, programmatic needs, initial itemized total project cost studies, infrastructure coordination, concept sketches, environmental impact, traffic and parking issues.	-Department / Division -EVP for Finance & Administration -Campus Development Committee		
4	Feasibility Study Review with Exec. Mgt.	Adjust and revise as required for project scope and planning/design budget approval.	-EVP for Finance & Administration -President's Cabinet -Ways & Means Committee		
				<b>Less than \$1 million</b>	<b>More than \$1 million<sup>(1)</sup></b>
5	Project Planning Approval	Design fee budgets are set and funded based on input and approvals obtained in Feasibility Study. Estimated total project budget is developed. Consult with University committees and staff involved with environment, traffic and parking.	-EVP for Finance & Administration	✓	✓
			-Ways & Means Committee	✓	✓
			-Campus Development Committee	✓	✓
			-Woodruff Health Sciences Board <sup>(2)</sup>		✓
			-Real Estate, Buildings & Grounds Committee <sup>(3)</sup>	✓	✓
			-Finance Committee		✓
			-Executive Committee		✓
6	Program Document	Detailed program, environmental and scope criteria, detailed budget breakout, design and construction schedule determined.	-Department / Division -President's Cabinet	✓	✓
7	Architectural Engineer ("AE") Selection	Complete selection and contract negotiations for project AE.	-Real Estate, Buildings & Grounds Committee	✓	✓
8	Schematic Design	Complete final Schematic Design for project.	-EVP for Finance & Administration	✓	✓
			-President's Cabinet	✓	✓
			-Campus Development Committee	✓	✓
			-Real Estate, Buildings & Grounds Committee <sup>(3)</sup>	✓	✓
9	Design Development	Design Development Documents shared as information with Campus	-EVP for Finance & Administration	✓	✓

Stage Name	Deliverables	Approval Required		
& Construction Documents	Development Committee.	-Ways & Means Committee	✓	✓
		-Finance Committee		✓
		<b>-Executive Committee</b>		✓

- (1) Any variances exceeding 5% of the approved budget or \$1 million after stage 5 requires Finance Committee and Executive Committee approval.
- (2) Required for projects related to Emory Health Sciences.
- (3) Approval required when exterior modifications are proposed.

#### Capital Projects Approval Policy (Effective 11/11/2004, Amended 01/10/2007)

The capital projects approval policy applies to construction, renovation and infrastructure projects.

The Executive Vice President for Finance and Administration of Emory University, with approval recommendations from the President's Cabinet and the Ways and Means Committee, and in consultation with other appropriate University officers and committees, is authorized to approve project development through the Feasibility Stages of the capital project at a cost not exceeding \$150,000. A written report of the fiscal year's activity in this regard shall be submitted to the Finance Committee semi-annually. Finance Committee approval is required at stages: (1) after the Feasibility Study is completed, assuming the study does not exceed \$150,000, and (2) before construction documents are signed.

The Executive Vice President for Finance and Administration of Emory University, with approval recommendations from the President's Cabinet and the Ways and Means Committee, and in consultation with other appropriate University officers and committees, is authorized to approve individual capital projects having an estimated total project cost not exceeding \$1 million; provided the aggregate of these approvals does not exceed \$10 million in a fiscal year or that the project is not funded by external debt. A written report of the fiscal year's activity in this regard shall be submitted to the Finance Committee semi-annually.

The Executive Vice President for Finance and Administration of Emory University, with approval recommendations from the President's Cabinet and the Ways and Means Committee, and in consultation with other appropriate University officers and committees, is authorized to approve budget variances in capital projects not to exceed 5% of the approved budget or up to a maximum of \$1 million. Any variances exceeding 5% of the approved budget or \$1 million must be approved by the Finance Committee.

The Finance Committee and the Executive Committee of the Board of Trustees will approve commencement of the Project Planning Approval phase of all projects having an estimated project cost greater than \$1 million or intended to be funded by external debt.

#### IV. Definitions

*Capital Projects:* Major construction, acquisition, or renovation activities which add value to the University's physical assets.

#### V. Related Links and Resources

- Current Version of This Policy: <http://policies.emory.edu/2.130>
- Office of the Controller: <https://www.finance.emory.edu/external/deptpages/ctrl/index.cfm>

#### VI. Contact Information

Subject	Contact	Phone	Email
Capital Projects Approval	Controller's Office	404.727.6080	ctrl@emory.edu

#### VII. Revision History

No previous versions of this policy were found.

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