

14.003 Fixed Capital Outlay Projects – University Budgeting Procedures

(1) Each university will prepare an annual Fixed Capital Outlay (FCO) Budget, in accordance with the instructions, guidelines, and standard formats provided by the Chancellor. The FCO Budget must be approved by 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 funded from current year E&G operating funds. No individual project in this category, funded in whole or in part with E&G operating funds, shall exceed \$1 million, pursuant to Board Regulation 9.007(3)(a)1.

Boards of Trustees may adopt policies requiring more detailed line-item budgeting at the local level.

b. Carryforward (CF) - Small Projects – This category is consolidated and includes all FCO Projects with a total per-project cost up to \$2 million, funded in whole or in part from CF funds. Allowable uses include maintenance, repair, renovation, remodeling, demolition of existing educational facilities and existing general site improvements (E&G campus real property improvements), and replacement of a Minor Facility. This category is budgeted as a single line in the FCO Budget. This may also be reflected as one of multiple funding sources under categories State Appropriated Projects and Non-Appropriated Projects.

c. Carryforward (CF) – Large Projects – This category includes FCO Projects funded in whole or in part from CF funds, where the total 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 Project that has received a state appropriation and is included on the Board's incomplete project list maintained pursuant to s. 1001.706(12)(d), F.S.
- ii. A renovation, repair, or maintenance project consistent with s. 1013.64(1), F.S. and replacement of a Minor Facility.
- iii. A remodeling or infrastructure project, including a project for a developmental research school, if such project is recommended

in the latest educational plant survey.

- iv. Repair or replacement of Education & General Facilities necessary due to damage caused by a natural disaster.

d. State Appropriated Projects – This category 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 – This category 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, 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. CF 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. CF Large Projects, State Appropriated Projects, and Non-Appropriated Projects – Individual new projects greater than \$5 million added to the FCO Budget, as well as increases greater than \$5 million to individual existing projects, require Board of Trustees and Board of Governors' approval.

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