

<b>FN.1.1.2 CAPITAL BUDGET</b>	
<b>Section:</b>	Finance (FN)
<b>Subject:</b>	Budget
<b>Legislation:</b>	<i>Post-Secondary Learning Act (SA 2003 cP-19.5).</i>
<b>Effective:</b>	August 29, 1991
<b>Revision:</b>	April 11, 1995; August 15, 2003 (reformatted); April 26, 2005; September 1, 2016 (reformatted); May 25, 2020

**APPROVED:** \_\_\_\_\_  
**President and CEO**

## **POLICY**

The policy of the Board of Governors is to submit an annual business plan and budget to the Government of Alberta that meets the government’s requirements and deadlines.

## **PROCEDURE**

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#### **A. Board of Governors**

1. Reviews and approves the capital budget for the coming year.
2. Reviews budgets in principle for the ensuing three years.

#### **B. Audit Committee of the Board of Governors**

1. Reviews the capital budget for the coming year.
2. Reviews budgets in principle for the ensuing three years.
3. Recommends that the Board approves the capital budget.

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### **C. Executive Management Committee**

1. Provides general direction to the Finance department for the guidelines for preparing the capital budget.
2. Determines:
  - a) Capital allocations for site maintenance, building renovations, and furniture and equipment.
  - b) The portion of the furniture and equipment allocation to be reserved at an institutional level and the portion to be allocated to each division.
  - c) Which building renovation projects will be funded.
  - d) Which site maintenance projects will be funded.
3. Submits the final capital budget to the Audit Committee of the Board of Governors.

### **D. Divisional Vice-Presidents**

1. Assess their division's requests and priorities, and allocate their divisional furniture and equipment budget to each of their schools/departments.

### **E. Finance Department**

1. Prepares capital budget guidelines as directed by Executive Management Committee and provides these guidelines to deans, directors and designates.
2. Asks all deans, directors and designates to submit their capital equipment requests for the upcoming budget year and subsequent three years at the same time as they submit their operating budget requests.

Furniture and equipment requests:

- a) Are capital budget items if they are tangible items with a value of \$1,000 or more (including GST), and have a useful life of more than two years.

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- b) Must identify and include any building renovations or utility requirements, along with their associated costs, to accommodate the requested furniture and equipment.
3. Prepares a preliminary report itemizing cost centre requests for furniture and equipment for review by the Facilities Management department and Information Technology Services department with regard to:
  - a) Compatibility in terms of furniture, computers, telephones, photocopiers, and other equipment.
  - b) Compatibility for subsequent service.
  - c) Consistency in pricing.
  - d) Maintenance of campus standards.
4. Follows up on issues and concerns arising from this review with business analysts as necessary.
5. Prepares and submits a report to Executive Management Committee that:
  - a) Itemizes each school/department's requests for furniture and equipment.
  - b) Summarizes actual furniture and equipment allocations for the previous three years by school/department and by division.

#### **F. Facilities Management Department**

1. Asks deans, directors and designates to submit their building renovations requests for the upcoming budget year and ensuing three years at the same time as they submit their operating budget requests. Building renovations are capital alterations/improvements completed on campus buildings, excluding the residence, parkade, bookstore and powerhouse.
2. Asks deans, directors and designates to submit their site maintenance requests for the upcoming budget year and ensuing three years at the same time as they submit their operating budget requests. Site maintenance applies to capital alterations/improvements completed on the exterior of buildings, the powerhouse, utility systems, tunnels and grounds (excluding parking areas).

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3. Reviews the preliminary equipment and furniture request summary report from Finance, seeking clarification from schools/departments as required, and submits comments and recommendations to Finance.
4. Prepares and submits a report to Executive Management Committee that:
  - a) Itemizes school/department requests for building renovations and site maintenance;
  - b) Recommends which building renovation and site maintenance projects should be approved.

#### **G. Information Technology Services Department**

1. Reviews the preliminary equipment and furniture request report from Finance, seeks clarification from schools/departments as required, and submits comments and recommendations to Finance.

#### **H. Schools/Departments**

1. Develop capital budget requests based on budget guidelines for furniture and equipment, building renovations and site maintenance for the upcoming budget year and the ensuing three years.
2. Obtain assistance from Facilities Management and other departments as required, to ensure that requests are planned and budgeted accurately.
3. Prioritize their furniture and equipment requests, building renovations requests, and site maintenance requests according to the criteria listed below in Section I of this procedure.
4. Submit their prioritized furniture and equipment requests to Finance by the deadline set out in the budget guidelines.
5. Submit their prioritized requests for building renovations and site maintenance to Facilities Management by the deadline set out in the budget guidelines.

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**I. Criteria for Prioritizing Capital and Renovation Projects**

1. Facilities to meet training and service needs, including public and academic space
2. Occupational health and safety
3. School/department/program access to other sources of funds
4. Number of students affected
5. Replacement of worn and dated equipment
6. New equipment to keep current
7. Impact on customer satisfaction
8. Enhance quality of instruction

**POLICY/PROCEDURE REFERENCE**

- FN.1.1            Budget and Business Plan policy
- FN.1.1.1        Operating Budget procedure

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**PROCEDURE**