The speed at which a capital project need (a renovation exceeding $5,000 or requesting additional space) can turn into a project request is directly related to funding. Capital projects cannot move forward until all funding has been identified and is in place, so this is often the point where the process can slow down (sometimes quite a bit).

**Funding Principles**

With all capital projects, units are responsible for creating a funding plan that covers the entire cost of the capital project (including moving and temporary relocation during the project) and recurring operating costs (utilities, maintenance, etc.) of the new building or additional space. Indirect costs of support (DPS, parking, etc.) also must be taken into account. Each unit must ensure that funding required by their plan is available and can be committed in support of the project before a project is approved to proceed. In most cases, capital projects are approved when a unit contributes significantly to the project since it is high priority. Central funding may or may not be available to subsidize capital projects.

As your unit considers its funding plan, it is important to keep the following key funding principles and assumptions in mind:

- Every proposed capital project must have a funding plan to support the design, construction, and operating costs, as well as the costs associated with any interim moves, of the renovated new or expanded asset from the unit’s own financial resources.
- Any commitments from non-unit funds (Provost’s Office, Dean, Chancellor, etc.) must be approved in writing.
- All gift/grant agreements must be signed and executed. The unit is responsible for supplying the cash needed during the project until the gift arrives.
- In the event that the funding sources for the project exceed the final costs of the project, excess funding will be reimbursed pro-rated by the funding contribution. Expanding project scope to utilize the project budget must be agreed upon in writing.

**Phases of Planning and Executing a Capital Project**

- **Initial Project Approval**
  - During this initial phase, the department has obtained priority approval from the Dean/EO to incur the costs associated with requesting an estimate. This is requested through the project management system.

- **Conceptual & Schematic Design**
  - During this phase, the department, Facilities and Operations (F&O) project manager, and architects work closely to develop the general building program to better understand user requirements for the space, the spatial relationships within a building, and building site requirements. Project costs are estimated, and may result in changes to the project scope to fit within the project budget.

- **Design Development**
  - During this phase, the working group visualizes the spaces and their functions to help the F&O project manager and architects develop more detailed drawings, floor plans, and infrastructure needs (mechanical, plumbing, and electrical) for the building. Project costs are estimated again, and may result in changes to the project scope to fit within the project budget.
  - Approval of EO required, and funding (20% of the estimated project budget) transferred prior to this phase.

- **Construction Documents**
  - During this phase, the architects develop the design further to produce actual construction drawings. Materials and finishes are also determined at this time. The result of this phase is a package that can be sent to an estimator and to contractors for bidding. Even at this phase, the project scope may need to change to fit within the project budget. Items to potentially change or eliminate will have been predetermined and prioritized throughout the entire design process.

- **Bid, Award, & Construction**
  - Once construction documents are complete, F&O sends the project out for bid and awards the project to a general contractor. F&O continues to manage the project through completion, in partnership with the general contractor, who manages the detailed construction work and contractors involved in the project. F&O continues to work closely with the unit should any questions or issues arise during construction.
  - Approval of EO required, and 100% of project budget transferred before a contract is entered into for construction.