



The State University  
of New York

# **Office for Capital Facilities**

## **Guidance Document**

CCP-2

*May 2016*

**Capital Project**  
**Initiation and Revision**  
*A guide for community colleges*

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**1. Foreword**

This document has been created to guide the Community Colleges and local Sponsors through the process for obtaining SUNY’s approval for capital projects. There are three steps to setting up a capital project for which the State will be funding up to 50% of the total project cost, and project initiation or revision is the second step. All three steps are outlined below:

- 1) [Requesting Capital Appropriation \(CCP-1\)](#)
- 2) [Capital Project Initiation and Revision \(CCP-2\)](#)
- 3) [Capital Project State Financing \(CCP-3\)](#)

*In addition to these guidelines above, the Office for Capital Facilities (OCF) maintains an enhanced website with information and tools for Community Colleges. Other Guidance Documents, forms, and materials currently in effect are centrally located to assist Colleges with the Capital Program: <http://www.suny.edu/capitalfacilities/>*

*Also, [SUNY University Wide Policies and Procedures](#) can be located on SUNY’s website, providing additional resources addressing academic, operational, governance, and financial issues.*



References have been made, within this guideline, to various New York State legislation and regulations, NYS Education Law Article 126 and NYS Codes, Rules and Regulations, Parts 600, 603, etc. Readers are to refer to the official documents for details and questions not immediately covered in this document.

Finally, above and beyond all written guidance that we can create or provide reference to, the OCF fully realizes that there are unique issues relative to the capital program and we encourage Colleges to contact us at any time to discuss.

## **2. Introduction**

Community college capital is regulated by Part 603 of the NY Code of Rules and Regulations, which is based on NY Education Law Section 6304. In this program at least 50% of project costs must be funded by the locality. New York State will fund up to 50% through State appropriation authority.

A College's local Sponsor is a Local Sponsoring Agency. A typical Sponsor may be a county, a community college region, a city, or a board of education and may have several of these entities overseeing college operations. The Sponsor, along with the State, students and other counties, supplies the basic fiscal support for the college by establishing the college, providing local financing, accepting title to college real property to be held in trust for the college's use and purposes, approving budgets, and selecting the prescribed procedures for the audit of college funds (8 NYCRR §600.1(c)).

As the Sponsor has fiscal oversight for this program, a College should follow the Sponsor's procurement regulations and allow them to engage with architectural and engineering consultants and contractors. The State's oversight for capital is managed by OCF and most procedures and guidelines are articulated in materials located on OCF's website.

## **3. Step Prior to Capital Project Initiation**

As outlined earlier in this document, the first step a Community College must take in order to move forward with a capital project is to obtain capital appropriation or legislative authorization. An appropriation gives authority to state entities to encumber and disburse State funds and is manifested in a Community College project once it is included as a line item in the NYS Budget.

### **a. Requesting State Appropriation**

SUNY has developed a guidance document to enable program users to better understand what qualifies for a capital project and the process for requesting State appropriation to progress capital initiatives. See the Guidance Document [Requesting Capital Appropriation \(CCP-1\)](#).

### **b. Review of Currently Allocated Appropriation/College Capital Plans**

At the end of each state fiscal year quarter SUNY disseminates a college-specific report, detailing previous capital appropriation allocated to each college. The report lists all active projects and current project balances. In addition, it lists appropriation not yet activated as "future", which may be tapped to initiate a new project or increase an existing project budget. If a College does not have available appropriation for a specific project, then new appropriation must be sought during the capital budget process per the Guidance Document [Requesting Capital Appropriation \(CCP-1\)](#). Only after a valid appropriation is in the enacted NYS Budget can project initiation begin.

#### 4. Project Initiation Components

An appropriation in the enacted NYS Budget grants SUNY the authority to encumber and disburse State funds for capital projects – this is *not* the same as SUNY approving project initiation. SUNY Board of Trustees (BoT) approves projects in a separate review process, currently delegated to the OCF Vice Chancellor. Reimbursement will not occur until completion of a final step, submission of a finance application and review and approval from the Dormitory Authority of the State of New York (DASNY) and Bond Counsel.

The process outlined below is for standard SUNY capital appropriation. Other types of State capital (ex. Regional Economic Development Council/Empire State Development grants, SUNY 2020 grants) are processed in a different manner. Colleges receiving alternate State appropriation through one of these programs should contact the granting agency or OCF for more information.

To provide approval for a capital project, OCF conducts a review of the specific project documentation submitted by the College for completeness and accuracy and ensures sufficient State appropriation is available. If all of the required conditions are met, then the SUNY BoT designee approves the project and OCF forwards a memo to the College indicating SUNY approval.

The following is a more detailed description of documentation necessary for SUNY approval:

**a. Descriptive Information - Project Action Form (PAF)**

OCF has developed a fillable PDF for college use. This form has multiple purposes: 1) for original appropriation requests, and 2) reused to request project initiation approval and budget increases if needed. The completed forms are shared with the NYS Division of Budget (DOB), DASNY, Bond Counsel, and other entities; therefore, Colleges should make every effort at fully explaining project needs and impacts.

- i. *Project Title*: Project titles may be more specific than the original request as colleges and sponsors will want to make the title fully reflect the planned project. Titles should be explanatory but brief - there is an area for detail later in the form.
- ii. *Action*: Colleges should make certain the “SUNY Project Approval” box is checked as well as the secondary box for “Create New Project”. The form can be edited and saved for use in each step of the capital process so Colleges can use the same form used to request original appropriation and when requesting project approval. College staff should review and adjust previously completed information and save the new version with a different name so all versions of the form are documented.
- iii. *General Scope and Classification*: SUNY activities require capital projects to be categorized and summarized for statistical analysis. To that end, questions in this section record the utilization of State capital resources in broad categories to assist in developing generalizations as well as providing specific details when needed.
  - a. *Project Scope*: Percentages reflecting the amount of each relative component (new, rehabilitation of existing facilities, critical maintenance, property acquisition, etc.)
  - b. *Project Classification*: Classifying the project scope into more detail (ex. Health/Safety, Facilities Preservation, Program Improvement/Change, etc.)
  - c. *Facility Use*: The space function for which the capital project will impact (ex. Academic, Administration, Student Life, etc.)
  - d. *Facility Description*: Current building number/name per SUNY’s Physical Space Inventory (PSI) System and the current and future gross square footage of the space
- iv. *Project Components - Narrative*: Colleges should provide sufficient detail for OCF and any other relevant entity to gain a full understanding of the project. Additional information can

be submitted as an attachment if more space is needed. If a project will be done in components or phases especially if portions will be progressed on different schedules, this should be articulated in this section as well as the Budget and Schedule section.

- v. *Project Justification – Narrative*: Colleges should highlight the project’s importance for the education of students and how and why the project is important to the continued operation of facilities. This information in part will help DOB and others in project review and analysis. Additional information can be submitted as an attachment if more space is needed.
- vi. *Budget and Schedule*: This area is vital for OCF to effectively develop cash flow projections and ensure cash is on hand for reimbursement for all community college capital projects. Information about a project’s useful life is also solicited. Colleges should use the multiple lines for project phases/components with different schedules. It is also important that College staff reviews and revises any previously submitted information if necessary.
- vii. *Architect*: Optional information, include if known

#### b. Local Authorization through Sponsor Resolution

Essential documentation for a capital project request is a written commitment in the form of a Sponsor resolution. College Sponsors, most often County Legislatures, provide fiscal support for a community college in concert with the State. Sponsor resolutions can be developed as part of a larger local budget, a Capital Improvement Plan (a multi-year budget developed by Sponsors) or a stand-alone resolution for the specific capital initiative.

*Local sponsor resolutions must reflect project approval, recognition of 50% local financial commitment, and source of local funding.* If a resolution for the original appropriation request did not clearly define the funding source, a new Sponsor resolution is required for project approval. College Board of Trustees resolutions are not necessary for regular project approval but are required for project budget revisions, property acquisitions and funding sources not directly from the Sponsor (ex. gifts, private fundraising). **Project budgets must match on all documents** (PAF, Sponsor resolutions and College Board of Trustees resolutions).

To reiterate, the following elements are required to be contained in a Sponsor resolution to request capital appropriation and to initiate a capital project:

*Required for Appropriation Request:*

1. Project Name
2. Project Total Budget (State + Local)
3. Sponsor approval of the capital project and budget
4. Sponsor acknowledgment 50% of costs will the responsibility of the locality

*Required for Project Approval (1-4 listed above) plus:*

5. Method of financing local share of project costs
  - a. Direct Sponsor Financing
  - b. Other Type of Funding as identified (chargebacks, fundraising, etc.) Depending on this source, additional information may be requested by SUNY to ensure funding existence.

A resolution including 1-5 above should be sufficient for use in the first two steps to initiate a capital project as long as the verbiage allows for both processes to take place. The final step in SUNY’s capital process for community colleges, project financing, requires approval by both the Sponsor and College by completion and submission of a signed finance application but no additional resolution components.

### **5. When is a College Board of Trustees Resolution Required?**

If local funding is not coming directly from the Sponsor (ex. gifts, fundraising), additional documentation may be necessary. Program regulations require a College Board of Trustees resolution as well as a Sponsor resolution reflecting the intent to use non-Sponsor funds and the source of those funds.

A second instance when a College Board of Trustees resolution is required is in the case where a capital budget increases; resolutions from both the Sponsor and College are required approving the capital project and the new budget reflecting both entities' awareness and concurrence with the new budget. This is explained in more detail later in this document.

If College staff thinks the project request may require additional documentation, contact OCF Community College Capital Program Manager to discuss.

### **6. When is Additional SUNY Board of Trustees Approval Required?**

SUNY BoT is entrusted with the responsibility to approve additional components of a capital project beyond its budget. Some examples are property acquisition/divestiture, in-kind donation acknowledgement and naming rights. If a College is seeking to acquire additional real property, property appraisals must be submitted to SUNY BoT for its review and approval of the purchase price prior to a College making that purchase and prior to capital project approval. Contact OCF Community College Capital Program Manager as early as possible if your College believes additional SUNY BoT approvals may be necessary.

### **7. SUNY Project Approval Process**

In January 2011, SUNY BoT delegated approval of community college capital project budgets to a designee, currently SUNY OCF Vice Chancellor. This expedites processing capital requests, allowing for approvals to be granted without waiting for scheduled meetings of SUNY BoT. There may be instances the Board of Trustees may elect to discuss and consider approval of a capital project – this is determined on a case by case basis.

To approve a capital project, OCF identifies and assigns an existing unused appropriation as a project cannot go forward without a valid State appropriation to fully cover the State share of a capital project.

Submitted materials are reviewed by OCF to ensure the project is appropriate and documentation is complete. SUNY approves the project unless additional information, SUNY BoT approvals or other action is identified. SUNY cannot approve a project until all paperwork is submitted and deemed appropriate, sufficient unused State appropriation suitable for the project is identified and any ancillary approvals are granted.

Once a project has been reviewed and the supporting documentation is deemed sufficient, the College will receive a letter from OCF approving the project, describing the funding mechanism and reporting requirements. An electronic copy will be sent to the Vice President, copying the College President. A hard copy of the memo will be sent directly to the Vice President.

### **8. Revision of a Capital Budget**

Revision of a capital project budget requires re-approval by SUNY per program regulations and has specific paperwork requirements. The following are some but not all of the reasons a College may request adjustment of a project budget:

- Scheduling delays may have resulted in increasing costs

- The project scope may have been expanded or altered regarding project components, resulting in an increased budget or a need for a name change to reflect the current scope
- Initial approval may have only covered a portion of the project (design costs only)
- A multi-phase project was previously approved for only that year's funding; new approvals are needed on an annual basis if the Sponsor's resolution outlines phased funding.

**a. Project Action Form Requirements**

Colleges must submit a PAF requesting the budget revision. Once again, OCF has designed the form so necessary changes can be made and the form saved as a different version. A significant amount of the data will remain consistent, but all information should be reviewed once more for accuracy and revised if necessary. Additional information specific to budget revisions follows:

- Action, Section 2: Colleges must ensure "SUNY Project Approval" and "Revise Project # C" boxes are checked and the applicable project number is listed
- Project Components – Narrative: Colleges should reference to the original project scope and any change of scope which relates to the budget revision
- Project Justification – Narrative: Colleges should reference the original budget, the revised budget and why the change has occurred
- Budget and Schedule: The budget and schedule should be listed as separate phase/components so OCF can clearly identify changes in the budget and schedule which may affect cash flow projections

**b. Local Authorization Documents**

For SUNY to consider any capital budget revisions, program regulations require:

- A new Sponsor resolution approving the new total project budget or a supplemental resolution supporting the project and the increase.
- A College Board of Trustees resolution approving the capital project and the new budget reflecting their awareness and concurrence with the new project costs.
- A College Board of Trustees resolution for multi-phase projects is not necessary if the Sponsor has clearly identified the multiple phases in their approved Capital Plans and has continued the phased approval in subsequent years.

OCF will determine if additional appropriation is available to cover the increased cost to the State and review all submitted documentation underlying the project. If appropriation is available and the increase is deemed acceptable, SUNY will develop and distribute a new memo indicating State approval.

If there is insufficient appropriation to cover the increased project costs, the College will need to request additional appropriation in the NYS Budget through the standard process before SUNY can approve any project budget increase (See Guidance Document [Requesting Capital Appropriation \(CCP-1\)](#) for detailed instructions on requesting additional appropriation for a capital project.)

If a budget increase is due to initial approval covering a portion of the project (ex. design), then only a local sponsor resolution reflecting commitment for the balance (construction, equipment) is necessary to accompany the revised PAF; a College Board of Trustees resolution is not required.

## **9. Requests for Appropriation for Emergency Capital Needs**

There are occasions when capital needs arise unexpectedly which may impact health and safety. For example, weather events may have resulted in roof leaks or other damage to College facilities or infrastructure. OCF has a limited amount of appropriation able to be utilized in such circumstances if a College does not have appropriation in reserve for the specific need. When these capital emergencies

are identified, Colleges should contact OCF to discuss the unanticipated capital needs and obtain the appropriate form to request use of statewide emergency appropriation.

### **10. Approval Process: Projects Funded in Multiple Years**

Some Sponsors provide funding for a project over multiple years through county Capital Improvement Plans (CIP) or multi-year budgets. This is most common with long-term critical maintenance and renewal projects. If a project is locally funded through a multi-year County CIP or a similar document and the overall project budget is included, SUNY can approve the project up to its first year of funding, and revise the approval in subsequent years when planned funding is actualized.

#### **a. Project Action Form and Local Authorization – Year One**

To allow for the multi-year approval process, the College must indicate the overall project funding for the project and the years in which the local funding will be approved. A PAF must be submitted reflecting only the first year of funding, and must be submitted with Sponsor resolution(s). The SUNY Project Approval Memo will reflect budget approval of the first year of funding as per the CIP, and will contain language indicating the overall budget of the project.

SUNY can approve the project budget for its first year of funding. As subsequent CIPs are approved locally and project funding is maintained, SUNY can provide approval for budget increases without requiring a resolution by the College Board of Trustees.

#### **b. Project Action Form and Local Authorization – Subsequent Years**

A new PAF requesting a budget revision (see *Revision of a Capital Budget: Project Action Form Requirements*) and the new CIP are required to be submitted as documentation. Additionally, a revised Finance Application is required as budget increases need to be approved by DASNY.

Additional approvals and specific process steps are reviewed on a case-by-case basis by OCF given the issues involved particularly if there has been some change in scope or added components. OCF should be contacted as soon as a College senses a project budget may need adjustment, so that all requirements can be efficiently met.

### **11. Post Approval Process**

After SUNY has granted approval for a capital project, the final step is coordinating project financing. The process is dependent on the type of appropriation (advance/hard dollar) backing the project. OCF will provide instruction to Colleges and Sponsors regarding the next steps via email with forms to complete if necessary and a future guidance document will outline the process in detail.

After financial review is complete, OCF provides official approval to the College for capital work and the College/Sponsor can begin to submit reimbursement requests for the State share of project costs. Information about financing and other ongoing project actions is outlined in Guidance Document [Reimbursement and Ongoing Project Actions \(CCP-4\)](#).

**Attachments:** [Project Action Form](#)