

**SOP- CAPITAL BUDGETS****SOP ID:** LIU-F-B-1006**POLICY TYPE:** FINANCE**RESPONSIBLE OFFICIAL TITLE:** VP FINANCE & TREASURER**RESPONSIBLE OFFICE:** BUDGET OFFICE**I. STANDARD OPERATING PROCEDURES**

Requests for capital projects and capital equipment are submitted to the appropriate Vice President by the initiating college, school, or division. The Key Stakeholder within the college, school, division, develops a Project Description that must include recommended location(s), renovations, equipment and timeframes required, as well as the case for the project in alignment with the priorities of the College/School/Division and University Strategic Plan.

Upon written approval of the Project Description by the respective Vice President (and for Academic Capital- the Dean and Senior Vice President for Academic Affairs), a Project Manager is assigned by Facilities. The Project Manager works with the Key Stakeholder to develop a budget for all renovations and equipment needed, as well as an estimated timeframe for implementation.

For contractor services and capital equipment, quotes are required in accordance with University sourcing and procurement policies. Once all quotes are obtained, the Project Manager develops and routes for signature a Capital Project Request Form. This Form requires written approval by the Dean/Director, Vice President, and Facilities and is appended by a detailed budget and supporting quotes. The approved Capital Project Request Form establishes the scope and budget for the project, and serves as the “contract” between Facilities and the Key Stakeholder for the services, equipment, and timeframes to be implemented.

The Capital Project Request package is submitted to Finance for final approval by the Chief Financial Officer and Fund set up in the Finance system.

- A unique Fund ID is assigned by Finance, which establishes spending authority for the project and initiates the requisitioning process.
- All capital expenditures require processing through a requisition, as well as fully executed contracts in accordance with University Purchasing policy. An approved Sole Source Justification Form is required in instances where obtaining competitive bids or quotes is not possible or practicable. All requisitioning for Capital Projects and Equipment is managed by the Project Manager and, in instances where technology is involved, by Information Technology.
- Changes to the original scope, budget, and/or timing for a project require a re-routing for all approvals as set forth above.
- Finance is responsible for tracking project expenditures in accordance with the approved budget and overall University capital budget.
- University policy prohibits the commencement or procurement of goods and services prior to completion of an executed contract and/or purchase order.
- The Project Manager provides periodic updates on project progress, issues, next steps and timelines for completion to the Director of Facilities, COO, VP, Key Stakeholder and Finance throughout the project lifecycle.

The following sequence of steps should be followed for Capital Projects:

1. Department, division, college or school determines a capital projects and/or capital equipment is required.
2. Key Stakeholder completes the Project Description and submits to Dean, VP, SVPAA for written approval.
3. Approved Project Description is submitted to Facilities for assignment of a Project Manager.
4. Project Manager and Key Stakeholder confirm project scope, timing and obtain all required quotes.
5. Capital Project Request Form (and supporting package) submitted for approvals.
6. Capital Project Request package submitted to Finance for Fund creation and budget set up in Finance system.
7. Upon fund creation and budget set up, the following procedures are followed:
  - a. Requisition → Purchase Order/Contract → Receipt of Goods/Services → Invoice → Payment