

The Capital Projects Management System describes the policies and procedures that guide the planning and approvals required for all major capital projects (i.e., construction of a building, major renovation of research or clinical space, installation and/or renovation of major systems.

### **Policy**

The School conducts major capital projects from time to time that support its education, research and patient care missions. To be considered for approval by the Dean of the Medical School, all capital project requests must be accompanied by a project description, business plan and appropriate approvals according to the following procedures.

### **Procedures**

The capital project planning, approval and expenditure cycle is guided by three documents:

#### **1. Project Description/Business Plan**

Every capital request requires a project description including background of the project, scope of activities, estimated cost, funding source and an estimate of the time required to complete the project. If the project will generate revenue (patient receipts and or grants), the project request document should include a return on investment analysis. For clinical capital projects, an 18-month return on investment is required. For research

capital projects, a 3-year return on investment is required. A recommended format is attached to assist in the preparation of the Project Description/Business Plan.

#### **2. Capital Project (Fund) Set-Up Form**

Together with the Project Description/Business Plan documentation a Capital Project (Fund) Set-Up Form must be prepared (attached). This form provides the necessary demographic and financial data required to assist in the review and approval process including:

- Whether the project is sponsored by the Hospital or School or shared,
- funding source,
- budget, and
- estimated start and completion dates.

#### **3. Approvals**

The Project Description/Business Plan must be reviewed and approved by Facilities Management, Finance, and the Dean's Office. For all clinical capital projects, the Faculty Practices Associates must also review and approve the Capital Project Proposal/Business Plan. These Departments are also available to assist/consult on the preparation of the Business Plan.

Assuming the capital project is necessary, the return on investment is within the required time period and a valid funding source has been identified, Facilities Management will

circulate an approval form indicating that the Assistant Director and Vice President have worked with the department to determine the scope and requirements for the project and a reasonable cost estimate and are recommending the project for approval.

The Senior Vice President for Finance and/or his designee will approve the capital project request based on a valid funding source and reasonable return on investment analysis.

For clinical projects, the Faculty Practice Associates will approve the project based on its merits and the recommendations of Department, Facilities Management and Finance.

The Dean's Office reviews the project documentation and recommendations of the requesting Department, Facilities Management, Finance, and FPA (for clinical projects) to determine whether the project should be presented to the Finance Committee of the Board for approval.

Assuming the project is approved, Finance will create a capital project account and budget in the "94" construction in progress ledger to track the project costs. Transaction processing for capital projects is subject to the same review and approvals as expenditure processing.

The project account will be distributed online to Facilities Management, Finance and the Department on a monthly basis.

When the project is complete, it will be moved by Finance from the Construction in Progress ledger to Plant in Service and depreciated over its estimated useful life.

A copy of all documentation relating to the project is maintained in Finance for seven years subsequent to the completion of the project.

Any questions about the School's capital project policies and procedures should be directed to either the Assistant Director of Facilities Management or the capital project Finance contact at (646) 605-4005.