Managing Capital Activity

Two Primary Committees:

<table>
<thead>
<tr>
<th>Capital Planning Group (CPG)</th>
<th>Capital Funding &amp; Priorities Committee (CF&amp;PC)</th>
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<tbody>
<tr>
<td>VP Planning &amp; Budget (chair)</td>
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<tr>
<td>VP Facilities Services</td>
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<td>Senior Vice Provost for Academic Affairs</td>
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<td>Senior Vice Provost</td>
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<td>Director Capital Budget</td>
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<td>VP Information Technology</td>
<td>President</td>
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<td>Director Space Planning</td>
<td>Provost</td>
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<td>University Architect</td>
<td>VP Finance &amp; CFO</td>
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<td>Assoc. VP Finance &amp; Treasurer</td>
<td>VP Alumni Affairs &amp; Development</td>
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<td>Senior Director Facilities Management</td>
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Annual Development of the 1-year Capital Budget and 5-Year Capital Plan

1. Development of Draft Plan – By end of calendar year
   Timing is intended to inform major budget assumptions typically approved by Trustees at January meeting.

Major Inputs

A. Planning Parameters – Primary sources
   CF&PC (with input as appropriate from Deans & Senior Staff)
   • Institutional priorities
   • Financial capacity – debt level, debt ratios, cash, fundraising feasibility
   • Capital Project Spending Guidelines requirements
   • Institutional capacity for capital projects
   • Space and/or master plan constraints or considerations
   Provost
   • Operating budget capacity

B. Identification of potential projects and major space needs – includes all facilities and administrative systems capital projects greater than $250,000
   • Review status of current capital plan projects
   • Compilation of potential projects from all units (including WCMC) – within established parameters
     i. Process will request fall submission of capital project plans and space needs from each college on the Ithaca campus, Weill Cornell Medical College, CornellNYC Tech Campus, Student and Academic Services, Library, Facilities Services, CIT, and each Vice President and Vice Provost
Review Process

Capital Planning Group (CPG) will review potential capital projects and space needs against established parameters and develop a draft 1 year capital budget and 5 year capital plan. Space needs will be compiled and evaluated by the Space Use Advisory Committee to provide opportunity for comprehensive space planning and potential use of leased space.

CPG will meet with college, division and central facilities and IT personnel as necessary to understand project scope, priority, funding plan, and timing. CPG has responsibility to critically review and challenge as deemed necessary unit planning assumptions, prioritization, timing, funding plans, etc. in order to develop a preliminary draft 1 year capital budget and 5 year capital plan for consideration by CF&PC.

Although CPG will develop a draft plan, CPG does not have the authority to make a final decision on unit capital submissions and therefore all unit capital submissions will be provided to CF&PC for consideration.

2. Review and Approval of Capital Plan (November – May)

Capital Planning Group
• continue to review and prioritize individual project plans
• adjust per direction from CF&PC

Capital Funding & Priorities Committee
• Review preliminary plan against priorities and constraints
• Review and approve all project funding plans
• Review requested projects not included in the preliminary plan and decide final action

Board of Trustee review & approval – May meeting
• Buildings & Properties Committee - draft review at March meeting
• Finance Committee – draft review at March meeting
• Full Board – review and approval at May meeting

On-going Management of Capital Activity

1. For projects approved within the 1-Year Capital Budget
   a. Project Approval Requests (PARs) up to $500,000 – transaction approval executed through individual PAR authorizers with final signoff by CFO
   b. PARs between $500,000 - $5,000,000 – approval by CPG
   c. PARs between $5,000,000 - $10,000,000 – approval by CPG and CF&PC
   d. PARs greater than $10,000,000 – approval by CPG, CF&PC and Board of Trustees
   e. Any other action requiring Trustee approval (e.g. design approval) must be approved by CF&PC
2. For projects greater than $250,000 not approved within the 1-Year Capital Budget (includes projects in the 5-year plan, but without spending authorized in the 1 year budget)
   a. Preliminary approval by CPG – must meet established criteria for exceptions (see below) and must have all funding immediately available
   b. Approval by CF&PC
   c. If greater than $10,000,000, approval by Board of Trustees

Criteria for exceptions to approved 1-Year Capital Budget – all must have full funding immediately available
   • Urgent & critical maintenance or infrastructure need
   • Specific and urgent academic or other institutional priority
   • Time sensitive high priority opportunity

On-going Review of Planning and Implementation Processes

1. The CPG will facilitate a “post-mortem” review of all completed individual capital projects exceeding $5,000,000 and a selection of smaller dollar projects in order to review the effectiveness of the planning and implementation of capital projects. The results will be reviewed with CF&PC and with B&P for select projects.