

ELIZABETH CITY STATE UNIVERSITY
Capital Improvements

1. Capital improvement projects are renovations, repairs and major maintenance to existing facilities, major landscape improvements, new construction, land purchases, one-time major equipment purchases and utility modifications. These projects are accounted for in the capital improvement budget code of a department or institution. The establishment of a capital improvement project requires approval of the General Assembly or the Director of the Budget.
2. The transfer of funds between capital and operating budgets "is statutorily prohibited. Departments are allowed to make expenditures in their operating budget which exceed \$50,000 for repairs, maintenance, equipment purchases, and the like, provided proper budget approval has been obtained. The expenditure of funds from the operating or the capital budget for capital improvement projects is subject to the adherence-to laws governing review of plans and specifications, selection of architects and public bid for construction projects.,
3. For university projects, capital improvement requests will be submitted in accordance with biennial budget instructions from the UNC Board of Governors when the project is requested as a part of the Governor's budget recommendation to the General Assembly. The instructions will set forth procedures for submitting OC25 forms, categorizing, projects, and all other data pertinent to the needs of the Board, the Office of State Budget and Management and the Office of State Construction in preparing the Governor's budget recommendations to the General Assembly.
4. After a new capital improvement project has been authorized by either the General Assembly or the Governor, the Office of State Budget and Management will notify the department, either with a budget form BD-306 (General Assembly Authorization) or with a letter (Governor's Authorization). The BD-306 is used when a new project is authorized by the General Assembly and will identify the project, the fiscal scope, the capital improvement code and the fund under which the project is to be budgeted. Departments will use the BD-306 to enter the project into the Departmental Accounting System with all funds budgeted under Contingency Reserve.
5. For capital projects which have been authorized by the Governor, the Office of State Budget and Management will notify the agency by letter. This letter will identify the name of the project, the fiscal scope of the project and the capital improvement code under which the project is to be established. Upon receipt of this notification, the agency is to immediately submit a budget form BD-606 to establish a budget as instructed in the letter with all funds budgeted under Contingency Reserve. The fund or item number will be assigned by General Administration. When the approved BD-606 is received by the department or institution, the

project is then entered into the Departmental Accounting System or the institutions accounting records.

6. A BD-606 is not required to distribute funds from the contingency reserve into proper expenditure lines after design and construction contracts have been awarded. This distribution is to be made internally by the agency upon approval of the allotment but the total is not to exceed the authorized budget as reflected on the approved BD-606.