

Policy and Guidelines for Approval of Capital Projects at Kansas State University

Date Approved: 06/20/2014

Supersedes: Policy dated 09/03/2010

Section I: Overview and History

A. Purpose

The purpose of these guidelines is to address the approval of capital projects at Kansas State University. These guidelines were developed to create consistency and offer parameters for the approval process.

B. Background

On September 3, 2010, Kansas State University (“K-State”) and the Kansas State University Foundation (“Foundation”) approved a policy for the Fundraising Projects and Capital Improvements Planning and Approval Process. This policy was reviewed and revised on June 20, 2014

Section II: Statement of Policy – University Capital Projects

A. Kansas State University Capital Project Planning and Approval

A capital improvement project is defined by the Kansas Board of Regents as any “bricks and mortar” project whose total costs exceed \$750,000 regardless of funding source and regardless of whether it is new construction or a renovation project. This policy applies to all capital improvement projects on the Manhattan, Salina and Olathe campuses; and projects on property owned by K-State and used by Agricultural Research and Extension. K-State Athletics, Inc. Board of Directors adheres to the project approval process defined by KSA, Inc. 501c3 board.

The following steps and process in the project flow may need to happen simultaneous to accommodate the academic calendar and the Board of Regents schedule

1. A K-State college, unit or department completes the **capital project request form** located on the Division of Facilities Planning, Project and Space Management website. The following information is required:
 - i. Statement of need
 - ii. Project budget
 1. Anticipated cost of the project
 2. Project cost inflated to completion
 3. Development costs, including stewardship, signage, and recognition (i.e. ground breaking, dedication, or associated expenses), which is not to

- exceed ½ of one percent of project cost, plus the percentage of sole source contract relative to fundraising time allocated toward project.
 - 4. Project overrun
 - 5. Endowment to sustain the facility will not be less than 10% of building cost.
 - iii. Desired timeline
 - iv. Potential funding sources for capital improvement project
2. The Associate Vice President for Division of Facilities reviews the capital project request form and submits the documentation to the Provost or appropriate Vice President. If approved, the capital project request form is presented by the Provost or appropriate Vice President to the President’s Cabinet for approval.
3. If the project has a private funding component, the KSU Foundation will be notified. The project may proceed to a conceptual drawing to be used to “test” interest with specific audiences but will NOT be used to secure private gifts until the full approval process described in #4 is completed. The Foundation President will be responsible for providing donor feasibility and feedback regarding the project to the President’s Cabinet.

The KSU Foundation will work in concert with K-State to complete the KSU Foundation Project Fundraising Plan. This process will take place in tandem with the steps outlined in Section II, Part A. The following information is required in the Project Fundraising Plan:

- i. Feasibility Study can be conducted internally, or outsourced for larger or more complex projects. Standard expectation would be 3 to 1: 3 solicitations for each cash gift. The following must be provided in the feasibility study:
 - 1. Lead gift potential.
 - 2. Top prospects identified to fund the portion of the project that would indicate its viability as a private gift project.
 - 3. Gift pyramid as illustrated by the list of prospects with qualification amounts.
 - 4. Timeline and identification of the team who will raise the private cash gifts must be included.
 - ii. Naming levels for capital projects must follow the Kansas State University and the KSU Foundation Naming Policy.

4. An alternate funding plan must be defined in the event the feasibility doesn’t produce adequate philanthropic potential or conditions alter the opportunity for success of the project. Once the capital project request form and project fundraising plan are complete and approved by the KSU Foundation Development Committee and the KSU Foundation Board of Directors, the information is presented by the Provost or appropriate Vice President to the President’s Cabinet. The projects, including K-State Athletics, will be tracked and reviewed quarterly.

5. After appropriate approvals are received, the program statement, as defined in this KSU Foundation Board policy, is prepared and submitted before the project may be submitted to the Board of Regents for approval. Board of Regents staff and Planning, Project and Space Management will present to the Legislative Joint Building Committee.

6. If project funding includes any State General Funds or requires revenue bonds, specific legislation authorizing the appropriation or bonding authority must be approved by the Kansas Legislature.
7. When the project has received all required approvals, the University Planning, Project and Space Management department will coordinate the design process to ensure the appropriate K-State, Board of Regents, state and federal guidelines are followed.
8. After architectural plans have been approved as required, and the Vice President for Administration and Finance has certified that all required funding for the project is available, construction may proceed. The Planning, Project and Space Management department will coordinate construction to ensure the appropriate K-State, Board of Regents, state and federal guidelines are followed.