

Board of Trustees of the Nebraska State Colleges

Revenue Bond-Auxiliary Operations

POLICY
NAME: Auxiliary System Maintenance

POLICY
NUMBER: 9101

A. PURPOSE

To lay out the process for allocating and approving surplus funds to make repairs, renewals, replacements, renovations, or to equip and furnish auxiliary facilities.

B. DEFINITIONS

1. **Surplus Funds:** The Surplus Funds at each College are those funds remaining each year after costs of operations and maintenance have been paid and after the required minimum dollar amounts have been deposited into the various other bond funds at the end of the fiscal year.

C. POLICY

1. **Maintenance and Repair Approval**

An annual Auxiliary Maintenance Request for repair items shall be submitted to the System Office in the format and according to the schedule developed by the System Office. The request material shall be reviewed by the Vice Chancellor for Finance & Administration and the Vice Chancellor for Facilities, and a recommendation submitted by them to the Board.

1.1. Project Timing

- The projects being requested are generally authorized to be initiated at the beginning of the subsequent fiscal year and expenditures for them are to be transacted after July 1 of that new fiscal year. An exception to this procedure is granted for those projects that must be completed during the summer months following the approval of the projects. The Colleges are also authorized to begin planning and design activities for any approved project and to cover incurred expenses.
- Approved projects will be initiated and completed within three (3) years of the resolution's applicable fiscal year period. Projects that have not been initiated within that time period shall be closed out and Surplus Fund balances earmarked for those specific projects shall be

reclassified as uncommitted Surplus Funds. Designated funds may continue to be earmarked for those projects that have been initiated within the three-year period but, due to extraordinary circumstances, have not been completed and payment made to the vendor.

1.2. Emergency Projects

Periodically it may be necessary to expend Surplus Funds on an emergency-type project. The System Office should be notified and the College may proceed with the project, after approval is given by the Chancellor and the Fiscal, Facilities and Audit Subcommittee Chair. Such approvals shall be reported to the Board at the subsequent meeting.

1.3. Realignment Between Approved Projects

In any contingency maintenance item approved by the Board exceeds the estimated cost, the Colleges may realign funds between the approved projects. A transfer request identifying the Resolution Year(s) and the amount(s) being transferred between approved projects will be processed through the System Office and then reported to the Trustee.

1.4. Reallocation of Funds to New Projects

- \$50,000 or Less

If any fund balances remain from completed maintenance projects or from projects that will not be completed, the College may request reallocation of up to fifty thousand dollars (\$50,000) of those funds. The project(s) must be approved by the Vice Chancellor for Facilities. The reallocation shall be reported to the Board in the subsequent Auxiliary Maintenance Progress Report.

- More than \$50,000

Projects costing more than fifty thousand dollars (\$50,000) shall be submitted to the Board for approval prior to initiating the projects using those funds.

1.5. Maximum Expenditure

Before an expenditure exceeding five hundred thousand dollars (\$500,000) for any one item can be initiated, and subsequent to Board approval, the project will be submitted to the Legislature for approval as required by law.

FORMS/APPENDICES:

None

SOURCE:

Legal Reference: RRS 85-408 Dormitories; housing facilities; other facilities; rate, fees, or charges; pledge for payment of bonds; surplus; approval by Legislature

Policy Adopted: March 1994

Policy Revised: August 1997, February 1999, June 2006, September 2006, April 2007, June 2013, June 2014, January 2021, April 2022