

Creating Capital Asset Projects



Finance Area:

[Vice President for Finance](#)

Responsible or Contact Office/Role:

[Financial Reporting & Operations](#), [Facilities Management \(FM\) Finance](#)

Purpose:

Financial Reporting & Operations (FR&O) is responsible for maintenance and administration of this procedure. FR&O, in conjunction with Facilities Management (FM) Finance, is responsible for ensuring that this procedure is followed whenever capitalized projects are created and/or funded.

Definitions:

Capital Construction: A new building, facility, or other infrastructure where none previously existed, or construction that enlarges or expands an existing facility.

Capital Construction Gifts: Fully expendable funds intended by a donor to finance building construction and/or renovation of capital facilities.

Capital Improvement: Major alterations, additions, expansions, conversions, or replacements of systems or components in existing facilities.

Documentation:

Refer to the University's Policy [IRM-017: Records Management](#) for information related to maintaining proper documentation.

Procedures:

Follow the corresponding procedure based on the type of Capital Project being established.

1. New **Capital Outlay Projects** with estimated costs \geq \$250,000
OR **Renovation Projects** with estimated costs of \geq \$500,000:

	<u>Expenditure Project</u>	<u>Revenue Project</u>
Creates Project	FM Finance	FM Finance
Award Type	SP	
Project Manager	FM Finance	
Award Manager	FM Finance	
GM Award Installment	FM Finance Installs Entire Amount	
GM Funding Project	FM Finance	
GM Award Budget by Task	FM Finance	
Type of Project (On Template)	Capital	Capital
Project Category	Expenditure Function	Expenditure Function
Project Class Code	9700	9701
Code Description	Capital Projects-Unexpended Plant	Capital Project-Revenue

Interfaces with State As	998000 Capital Projects	998000 Capital Projects
F&A Cost Code	09-Other Expenditures	09-Other Expenditures
Award Purpose Fund Source	5005/5040/5065/5070/5075	
Fund Source Interfaces with State As	01000/03020/03030/03060/03090	
Award Purpose Fund Sources for Bonds	5005/5040/5065/5070/5075	
Interfaces with State As	08130/08150/08170 (Debt Service – Construction costs on bond funds)	
Initial Funds Transfer in GL	FR&O Accountant completes GL Entry for funds transfer to Revenue Project	

2. **Renovation Projects** with estimated costs \geq \$250,000 but $<$ \$500,000

Note: Projects will be setup as Project-Award Projects (PAPs) where the Revenue Project is the same as the Expenditure Project

	<u>SP Non-Capital Outlay Project</u>
Project Creation	Department/Unit – Project Create Form must be attached in the Integrated System and forwarded to FR&O Accountant
Award Creation & Linkage	FR&O Accountant creates the award and links the award to the project
Award Type	SP
Project Manager	FM Finance
Award Manager	FR&O or selected Department/Unit
GM Award Installment	FR&O or selected Department/Unit for entire budgeted amount
GM Funding Project	Department/Unit
GM Award Budget by Task	FM Finance
Type of Project (On Template)	Capital
Project Category	Expenditure Function
Project Class Code	6450
Code Description	Major Repairs and Renovations
Interfaces with State As	107090 Operation and Maintenance of Plant, Other
F&A Cost Code	09-Other Expenditures
Award Purpose Fund Source	5005/5040/5065/5070/5075
Fund Source Interfaces with State As	01000/03020/03030/03060/03090
Initial and Ongoing Funds Transfer in GL	Department/Unit

	<u>LP Non-Capital Outlay Project</u>
Project Creation	Department/Unit – Project Create Form must be attached in the Integrated System and forwarded to FR&O Accountant
Award Creation & Linkage	FR&O Accountant creates the award and links the award to the project
Award Type	LP
Project Manager	FM Finance
Award Manager	FR&O or selected Department/Unit
GM Award Installment	FR&O or selected Department/Unit for entire budgeted amount
GM Funding Project	Department/Unit
GM Award Budget by Task	FM Finance
Type of Project (On Template)	Capital
Project Category	Expenditure Function
Project Class Code	6450
Code Description	Major Repairs and Renovations
Interfaces with State As	107090 Operation and Maintenance of Plant, Other
F&A Cost Code	09-Other Expenditures

Award Purpose Local Fund Sources	5045/5055/5110/5215
Does not Interface with State	9999
Initial and Ongoing Funds Transfer in GL	Department/Unit Note: If gift funds, UVA Advancement

Resources:

[Commonwealth Accounting Policies and Procedures \(CAPP\) Manual: Topic 30310, Section 500](#)

[FIN-015: Endowment and Capital Gift Agreements](#)

[Project Create Form](#)

Revision History:

August 2018