



Policy Title:	Permanent Improvements
Policy Number:	UNIV-433
Revision Date:	August 2015
Policies Superseded:	1100; FINA-400
Policy Management Area(s):	Facilities

SUMMARY:

This policy outlines the Permanent Improvement process of the Department of Facilities Planning and Management.

POLICY:

- I. To ensure that all permanent improvements at Coastal Carolina University are performed in accordance with the University Strategic Plan, the Campus Master Plan and the Capital Permanent Improvement Plan (CPIP), the following will apply:
 - A. Permanent improvement projects involving renovation, repair, maintenance, alteration or demolition, and equipment costing under \$1 million do not require establishment as a state permanent improvement project and can be done without Joint Bond Review Committee and Budget and Control Board approval. This does NOT include construction of additional facilities for which the PIP (Permanent Improvement Plan) level remains at \$500,000.
 - B. All land and building acquisitions (purchases and donations) must be approved by the University’s Board of Trustees, regardless of cost, and submitted as required through the state approval process (SC Commission on Higher Education, Joint Bond Review, Budget and Control Board).
 - C. A Motion for Consideration form for a permanent improvement project greater than \$500,000 or for a renovation project greater than \$1 million requires approval by the University Executive Council. The following levels and order of approval have been established:
 - 1. Executive Council approval
 - 2. President’s approval
 - 3. The Board of Trustees Finance, Planning and Facilities Committee approval
 - 4. Full Board of Trustees Approval
 - D. For building modifications less than \$5,000 requiring the services of a contractor or the physical plant staff, a work order must be submitted to the Department of

Facilities Planning and Management using the SchoolDude Management System. Charges incurred are expensed to the requesting department. Expenses for each department have been approved through the yearly University budget process.

- E. For modifications requiring the services of a contractor or the physical plant staff over \$5,000 but less than \$1 million, a request should be submitted by work request to the Department of Facilities Planning and Management for an estimated cost for a proposed campus improvement or modification. Estimates will be provided at no cost. Before a project is implemented, it must be approved by the appropriate Vice President. The Vice President of Finance and Administration will review and determine whether or not the funding is available.
- F. Permanent Improvement projects will be capitalized in accordance with the Asset Capitalization Policy approved by the Vice President for Finance and Administration.
- G. Permanent Improvement Projects that do not fall within the defined parameters for capitalization will be expensed in the year they occur according to Generally Accepted Accounting Principles (GAAP). Generally, if the work is of a replacement nature and does not materially lengthen the useful life of a structure, it will not be capitalized. Many projects costing in excess of \$100,000 will fall in the area of routine maintenance and will be recorded as an expense rather than capitalized. Additions to an existing building or utility (adding a room, extending a sewer trunk line, etc.) will be capitalized if it is determined that the change extends the useful life of the asset.
- H. All projects will be accomplished in accordance with the South Carolina Manual for Planning and Execution of State Permanent Improvements and the South Carolina State Engineer's Manual.