Subject:	Procedures for the Management of Other Department Allowances within Total Project Budgets	Number: FMOP 5-1
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PROCEDURES FOR THE MANAGEMENT OF OTHER DEPARTMENT ALLOWANCES WITHIN TOTAL PROJECT BUDGETS

Contents

1.0 Background
2.0 Total Project Budgets & Budget Allowances
3.0 Procedures
4.0 References

1.0 Forward. In some instances it is necessary to carry a budget allowance within a Total Project Budget for expenditures that will be managed by other departments. The purpose of this Procedure is to clarify the steps that are to be followed for the estimating, procurement, installation and payment for work undertaken through these allowances.

2.0 Total Project Budgets & Budget Allowances

2.0.1. Stake-holders or departments having expenditures related to their occupancy of new or renovated space are expected to obtain budget approval and funding separately from the capital budget (minor or major). Examples include teaching technology (a/v), computer equipment, printers, photocopiers, desk lamps, salary and program costs, etc. In these cases, Facilities Management does not typically carry allowances for these expenditures within the Total Project Budget. Facilities Management will continue to budget funds for typical furniture, shelving, window coverings, bulletin boards and signage as is currently the practice.

2.0.2. In accordance with the University's *Best Building Practices*, the Total Project Budget will typically include a budget allowance for 'Data and Telecommunications' (telephones and upgrades to the network, if required to service the project; not computers, or classroom teaching technology). In some cases, such as classroom modernization projects, a budget allowance for teaching technology is included in the Total Project Budget.

2.0.3. In most cases, the only other department with a budget allowance contained within the Total Project Budget will be Information and Technology Services, in particular Telecommunications and Network Services. Typically, this is for network upgrades/equipment and telephones.

3.0 Procedures. The procedures to follow for the management of other department budget allowances within Total project Budgets is as follows:

3.0.1. Identification of Budget Allowance Requirement. The *FM Project Manager* will identify the need for a budget allowance for work related to the other department's requirements that will not be included within the construction contract, and co-ordinate its development with the *other department*. It is the responsibility of the *other department* to provide the *FM Project Manager* with a detailed estimate. The *FM Project Manager* will include this amount within the proposed Total Project Budget.

3.0.2. Approvals. Depending on the value, the Total Project Budget receives either Board of Trustees or senior administrative approval prior to project implementation.

3.0.3. Accounts. Most major capital projects will use the multiple account breakdown with the '060' category suffix for Data and Telecommunications' costs (i.e. 225-009-060).

3.0.4. Budget Allowance Management Authority. In order to allow the *other department* to charge costs for work to be undertaken within the budget allowance, the following process must occur:

3.0.4.1. The other department is to provide the name of their representative to the *FM Project Manager*.

3.0.4.2. The *FM Project Manager,* through the *Manager, Campus Planning Design and Construction,* will provide the following information to the *FM Executive Director*: project name, amount of the budget allowance, the account number to be used by the other department for charging work undertaken within the budget allowance, the name of the other department and the individual responsible for the work (ie. Manager, Telecommunications and Network Services).

3.0.4.3. The *FM Executive Director* will provide the above-noted information to the Finance Department requesting that the individual (by name) be given viewing access and purchasing authorization for the account.

3.0.5. Notification. After the above has taken place, the *FM Project Manager* will notify the *other department* in writing of the following:

3.0.5.1. The amount of the budget allowance for their work contained within the approved budget.

3.0.5.2. The account number to be used for charging the work to be undertaken within the budget allowance.

3.0.5.3. The project schedule.

3.0.6. Procurement by the Other Department. The *other department* is responsible for the procurement of the goods and/or services to be purchased within the budget allowance in accordance with the project schedule and the University's purchasing policies.

3.0.7. Budget Allowance Status Report. Prior to awarding a contract or issuing a purchase order (PO) for this work, the *other department* is to provide the *FM Project Manager* with a budget allowance status report indicating the following information:

3.0.7.1. Full amount of budget allowance.

3.0.7.2. List of previously authorized PO's.

3.0.7.3. List of proposed PO's (for FM authorization).

3.0.7.4. Total amount of committed funds.

3.0.7.5. Amount of uncommitted funds.

3.0.7.6. Delivery and installation status.

3.0.7.7. Payment status.

3.0.8. Confirmation of Funding & University Purchasing Policies. The *FM Project Manager* will sign the budget status report authorizing that funding is available for the proposed PO, the account for the *other department* to charge it against, and return a copy of the report to the *other department*. The *other department* is responsible for obtaining any other approvals required by the University's purchasing policies, and for securing the PO.

3.0.9. Major Capital Projects. For major capital projects (greater than $1,000,000 Total Project Budget), the *other department* is to provide the *FM Project Manager* with the status report indicated above on a monthly basis.

3.0.10. Coordination of Work under Allowances & Warranty Management. The *other department* is responsible for coordinating the work (in conjunction with the *FM Project Manager*) with the Contractor and/or Consultants, approving the completed installation, ensuring and certifying that the work has been completed to their satisfaction and processing the supplier/contractor's invoice(s) for payment. The *other department* is also responsible for managing any warranties pertinent to the goods and/or services received under the budget allowance.

3.0.11. Charges Against Available and/or Approved Funds. Notwithstanding anything noted above, the *other department* assumes full responsibility for ensuring charges attributed to the budget allowance do not exceed the amount of funding available and/or approved.

3.0.12. Allowance Adjustments. The *FM Project Manager*, in consultation with the *other department* project representative, can adjust the allowance as necessary, within the Total Project Budget in accordance with University policies, procedures and guidelines.

4.0 References

4.0.1. University Policies

4.0.1.1. Signing Authority Policy – 4.01

4.0.1.2. Purchasing Policy – 4.02

4.0.2. Related Procedures

4.0.2.1. Best Building Practices

5.0 Not Allocated