

University of Pennsylvania School of Medicine
Policy & Procedure Manual

CAPITAL APPROVAL AND AUTHORIZATION

FINANCIAL ADMINISTRATION

Policy Number: FA – CAP - 001

Date Approved: 9/28/00

I. PURPOSE

To establish an approval hierarchy within the School of Medicine for the authorization of capital projects.

II. POLICY STATEMENT

The following individuals and groups must approve commitments at the noted thresholds for capital expenditures related to the School’s academic missions, prior to the initiation of a capital project.

<u>Capital Project Costs</u>	<u>Approval Required by</u>
<\$250,000	Chair / Director Vice Dean for Administration and Finance
≥\$250,000 but <\$1,000,000	Chair / Director Vice Dean for Administration and Finance CEO/Dean University Capital Advisory Group University Capital Council
≥\$1,000,000	Chair / Director Vice Dean for Administration and Finance CEO/Dean University Capital Advisory Group University Capital Council Health System Trustees (Health System Trustee Board Executive Committee) University Trustees (Budget and Finance Committee or Stated Meeting)

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III. REASON FOR POLICY

Departments, centers, institutes and central administrative offices of the School of Medicine periodically request authority to initiate capital projects that involve significant expenditures of funds. The University of Pennsylvania has a formal Capital Approval and Development Process to which the School of Medicine must conform. The University of Pennsylvania Health System has policies and procedures related to capital approvals for the health services mission. This policy is being established to provide for an orderly and consistent School-level mechanism through which requests for authorization for expenditures for capital projects related to the academic (education and research) missions of the School of Medicine are considered for approval. *This policy and the related procedures supplement, but do not replace, the required steps of the University and, when appropriate, Health System capital approval and development processes referenced above, which must be accomplished for School of Medicine capital projects.*

IV. WHO SHOULD KNOW THIS POLICY?

- Deans and Administrative Directors
- Department Chairs and Directors of Centers and Institutes
- School of Medicine Facilities Planning and Operations Services Staff
- School of Medicine Finance Staff
- Departmental Business Administrators

V. GENERAL INSTRUCTIONS

School of Medicine departments, centers, institutes and administrative offices are responsible for determining their capital needs and making the necessary financial arrangements as part of the budgetary processes. Sources of funding may include funds controlled by the organizational entity; funds specially allocated from central School of Medicine; or external sources, and must be arranged for as part of the initial planning process prior to the initiation of the project. Steps in the approval process include the following:

VI. PROCEDURES

RESPONSIBLE PERSON / DEPT	PROCEDURE
Chair or Director Business Administrator Facilities Planning and Operational Services	A. The department, center, institute or administrative office completes a “Request for Renovation Form” and submits it to the Office of Facilities Planning and Operational Services (FPOS) to arrange for a preliminary estimate of the cost of the capital project. FPOS forwards the form to School of Medicine Finance for verification of the

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<p>Finance</p>	<p>availability of funding. Finance either verifies the availability of funds or determines that funds are not available. Finance forwards the form to the Vice Dean for Administration and Finance.</p>
<p>Vice Dean for Administration and Finance Facilities Planning and Operational Services</p>	<p>B. For projects that are estimated to cost less than \$250,000, the Vice Dean for Administration and Finance approves or disapproves the initiation of the project and communicates that information to FPOS, which is responsible, in turn, for communicating the outcome to the requestor. For those projects that are approved, FPOS initiates the next phases of the project.</p>
<p>Vice Dean for Administration and Finance Facilities Planning and Operational Services</p>	<p>C. For projects that are estimated to cost \$250,000 or more, the Vice Dean for Administration recommends approval or disapproves the initiation of the project. If the Vice Dean recommends approval, the next level of approval then is sought from the CEO/Dean. If the CEO/Dean approves, the capital project proposal is sent to the University Capital Advisory Group and University Capital Council, using the procedures described in the University’s “Capital Approval and Development Process.” Once all necessary approvals are in place, FPOS communicates this to the requestor and initiates the next phases of the project.</p>
<p>Facilities Planning and Operational Services Office of Planning and Reporting Secretary of UPHS Trustee Board</p>	<p>D. For projects that are estimated to cost \$1,000,000 or more, following approval by the Capital Council, approval is sought from the University of Pennsylvania Health System (UPHS) Trustees and the University Trustees, through submission of a Trustee Resolution. FPOS notifies the School of Medicine Office of Planning and Reporting, which develops the Trustee Resolution. The Secretary of UPHS Trustee Board arranges for sequential submission to the UPHS and University Trustees. Once all necessary approvals are in place, FPOS communicates this to the requestor and initiates the next phases of the project.</p>

VII. CONTACTS

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