

# Capital Project Terminology

## What is a Project?

According to *A Guide to Project Management Body of Knowledge (PMBOK® Guide) – Fifth Edition*

"A project is a temporary endeavor undertaken to create a unique product, service, or result. The temporary nature of projects indicates that a project has a definite beginning and end. The end is reached when the project's objectives have been achieved..."

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## Appropriated Funds:

### Capital Project Funding

- Funded by direct State tax dollars or by bonding
- Strategic Initiative (SI)

### Residence Hall Project Funding

- Dormitory Income Fund Reimbursable (DIFR)

### Other Revenue Funding

- Income Fund Reimbursable (IFR), SUTRA and Operating Funds

## Capital Projects (State Facilities)

Capital bonded projects are either major projects identified as a Critical Maintenance (CM) project or Strategic Initiative (SI) project. These projects are funded through the State University Construction Fund (SUCF) as allocated to Fredonia through the State Legislative Process. These projects can be anything from rehabbing an existing building and updating infrastructure to a new building.

### Criteria for Capital project:

- Cost more than \$5,000
- Professional design services required
- Project has potential to impact:
  - Facilities Master Plan
  - Change in use or occupancy of space
  - Technical standard(s)

### Capital (Bonded) Projects:

**Critical Maintenance (CM):** A Critical Maintenance project relates to scope of work that is required to ensure the integrity of buildings, site, or infrastructure (utilities) that is necessary to maintain critical functions of the campus.

**Strategic Initiative (SI):** Strategic Initiative (SI) projects are classified as projects that are a part of the campus 5 or 10-year capital strategy for attaining Campus priorities, which include major infrastructure projects, major renovation/rehab of existing buildings or new buildings.

**Minor Critical Maintenance (MCM):** Projects under \$150,000 are classified as Minor Critical Maintenance (MCM) and represent a unique class of campus-administered projects that provides an efficient mechanism for campuses to initiate and manage qualifying projects that maintain building systems and utilities as well as life safety and code compliance with a defined scope and cost. MCM funds must be utilized in accordance with SUNY's Minor Critical Maintenance Procedures.

### Qualifying Minor Critical Maintenance (MCM) Projects:

Allocated to the campus through the State Legislative Process and funded through the State University Construction Fund (SUCF), Minor Critical Maintenance is defined as projects necessary to preserve existing State owned capital assets or facilities in good working condition, suitable for their current utilization, and compliant with all prevailing codes, rules, regulations, and standards governing their usage. Critical maintenance may include the removal of hazardous building materials such as lead paint, asbestos, and PCB ballasts or caulk. However, a project whose primary purpose is to modernize or upgrade existing facilities would not be considered a critical maintenance project.

The project scope should be able to be completed within a relatively short period of time, generally deemed to be within 12 months.

The project must have a discrete definition and scope, such as:

- The project is limited to a specific building or group of related buildings
- The project is limited to discrete components of a specific building or group of related buildings;
- The project addresses specific aspects of campus site or infrastructure.

The project scope must have an estimated useful life of 10 years or more.

The estimated total project budget, including design and construction costs, must be between \$5,000 and \$150,000. Projects with an estimated cost of less than \$5,000 are to be funded from operating or other campus resources. Projects with an estimated cost of more than \$150,000 are considered Critical Maintenance/Capital Projects.

#### **Examples of Non- Qualifying Minor Critical Maintenance Projects:**

Each project types listed below are examples of projects that **do not** qualify as minor critical maintenance projects:

1. Grouping of independent or unrelated tasks into one project, such as a single project for a series of miscellaneous summer tasks;
2. Establishing a project to accommodate cost overruns, contingencies, or other costs relating to a separate project;
3. New construction, additions, or facility upgrades that are not a critical maintenance project as previously defined;
4. Projects related to office, program, or departmental relocations to support program enhancements or new program initiatives;
5. Studies or stand-alone design services unrelated to a qualifying minor critical maintenance project;
6. Routine or recurring maintenance or operational expenses, such as the following, when they are not an integral component of a qualifying minor critical maintenance project:
  - Moving expenses;
  - Painting;
  - Landscaping;
  - Office remodeling for program enhancement, adaptations or accommodations for new initiatives;
  - Small scale hardware replacement;
  - Disposal of chemical, radioactive or other hazardous waste from routine and typical academic or research activities;
7. The acquisition, replacement, or repair of moveable furniture, equipment, and carpeting
8. Parking facility and parking area maintenance and operations, including resealing, resurfacing, and restriping;
9. Projects established solely for staff, including:
  - Indirect labor charges (management and administrative support);
  - General summer work crews whose purpose is to supplement staff for routine maintenance (please note that campus labor for a qualifying critical maintenance project can be charged to that project);
  - General allocations of departmental wages;
  - Professional staff;

# Residence Hall Project Funding

## **Dormitory Income Fund Reimbursable (DIFR) Projects:**

The Dormitory Income Fund Reimbursable (DIFR) provides for the operation and maintenance of the campus dormitories. Utility, debt service, State Dormitory Authority overhead and insurance and fringe benefit costs associated with the operation of residence halls are included along with charges for administration, operation, and maintenance. Room rent is the primary source of DIFR revenue.

## **Other Revenue Funding**

### **Income Fund Reimbursable (IFR):**

A self-supporting account that generates revenues and provides services which are not included in the state operating budget. These accounts have activities essential to the campus's mission and operations with a clear and defined income/expenditure relationship. An IFR account must follow all State and campus purchasing and payroll.

### **State University Tuition Reimbursable Account (SUTRA):**

Funded from tuition revenue collected from summer session, contract courses, overseas academic programs and tuition revenue beyond that budgeted for in the core instructional budget. Revenues collected at a campus in excess of its revenue target are deposited into the SUTRA fund for use as deemed appropriate at that campus.

### **Operation and Maintenance (Operating):**

Operating funds for the administration, supervision, operation, maintenance, preservation, and protection of the institution's physical plant. They include expenses normally incurred for such items as janitorial and utility services; repairs and ordinary or normal alterations of buildings, furniture and equipment; care of grounds; maintenance and operation of buildings and other plant facilities; security; safety; hazardous waste disposal; space and capital leasing; and facility management. This category also includes expenses for formally organized and / or separately budgeted maintenance related to information technology.

## **General Terminology**

### **Small Scale Projects:**

A small-scale project is one that will not have a major impact on the campus and the total cost is \$1.0 million or less. These projects are defined as rehab/renovation projects. Every rehab/renovation project is unique. Depending on many factors including the project scope, materials, equipment required and the number of other projects in progress, it may take anywhere from six months to eighteen months to plan, design, and construct.