

FANSHAWE COLLEGE
BOARD OF GOVERNORS' POLICY MANUAL

CATEGORY D - EXECUTIVE LIMITATIONS

TITLE: CAPITAL PLANNING

POLICY NUMBER: D-12

EFFECTIVE DATE: 2015 04 23

REFERENCE: 40205, 46904, 49206, 53606

BACKGROUND:

The purpose of this policy is to establish the Board's values and risks associated with *Capital*, and identify limitations regarding the President's authority.

THE POLICY:

With respect to the ongoing investment in *Capital Projects* to meet the current and long-term learning and working needs of the College, the President shall not allow insufficient planning or unmanaged risk.

Accordingly, the President shall not:

1. Campus Master Plan

- 1.1. Operate without a *Campus Master Plan* accepted by the Board of Governors.
- 1.2. Allow a *Campus Master Plan* to be more than 10 years old.
- 1.3. Allow a *Campus Master Plan* to be developed without alignment to the Board's ENDS policies and the College's evolving strategic goals and priorities.

2. Capital Plan

- 2.1. Operate without a *Capital Plan* approved by the Board of Governors.
- 2.2. Allow a *Capital Plan* to be developed without alignment to the Board's ENDS policies and the College's evolving strategic goals and priorities.
- 2.3. Allow a *Capital Plan* to be developed without considering the *Campus Master Plan*.
- 2.4. Allow a *Capital Plan* that fails to disclose a plan that addresses the College's *Unfunded Infrastructure Renewal*.
- 2.5. Allow a *Capital Plan* that does not consider *Contingency Projects*.

3. Capital Project

- 3.1. The President shall not proceed with a *Capital Project* without prior approval from the Board of Governors.

- 3.2. The President shall not propose a *Capital Project* to the Board for approval without consideration of the Board's ENDS policies, the College's evolving strategic goals and priorities, and the *Campus Master Plan*.
- 3.3. The President shall not fail to disclose the following criteria with each *Capital Project*:
 - 3.3.1. scope of the project
 - 3.3.2. cost of the project
 - 3.3.3. sources of financing
 - 3.3.4. impact to programs or services
 - 3.3.5. risks with undertaking the project
 - 3.3.6. consequences of not undertaking the project

MONITORING:

The President shall provide a monitoring report annually to the Board of Governors, and semi-annually to the Audit Committee.

DEFINITIONS:

Campus Master Plan – a vision and planning framework that guides the long-term development and improvement of campus lands and buildings to achieve the strategic goals, academic plans, and operational objectives of the College to optimize the user experience.

Capital – includes any non-financial asset that is used by the College. Capital assets include land, buildings, construction in progress, site improvements, furniture and equipment, and library books.

Capital Plan – is a summary of *Capital Projects* spanning five fiscal years with projected costs and sources of financing.

Capital Project – is a plan to spend *significant* resources relating to *Capital*.

Contingency Projects – *Capital Projects* that are contingent upon other events, which require resolution before the project should receive further consideration, such as determining a source of financing for instance.

Operating Revenue – total revenue as presented on the audited Consolidated Statement of Operations for the year.

Significant - greater than 0.5% of *operating revenue*.

Unfunded Infrastructure Renewal – the estimated accumulated value over the next five years of deferred maintenance backlog.