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.