

## 0110.04 Allocation of Project Funding

Issued January 1, 1994

**SUBJECT:** Allocation of project funding.

**APPLICATION:** Executive Branch Departments and Sub-units, Community Colleges, and State Universities.

**PURPOSE:** To establish a consistent method of allocating funds for renovation and maintenance of existing facilities and for construction of new facilities.

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**SUMMARY:** A process to release funds for new construction, special maintenance, remodeling and additions for all state agencies, community colleges, and state universities.

Lump sum funds for state agencies are allocated based upon demonstrated need and available funding.

Following these procedures ensures that funding is appropriately allocated to projects.

**APPLICABLE FORMS:** DMB-400

DMB-446

### PROCEDURES:

#### Definitions:

**Line Item:** Line item appropriations are projects specifically identified in a Capital Outlay Appropriations Act with a designated project cost limit. These funds are available until 23 months after substantial completion and have to be released by the State Administrative Board.

**Lump Sum Special Maintenance:** Projects are approved as part of an overall appropriation in a Capital Outlay Appropriation Act. Project cost limits and limitations on the number of years for which project funding is available are established in the annual Capital Outlay Appropriations Act.

**Miscellaneous Operating Projects:** Projects where funding is provided from the agency's or department's operating budget. An agency may elect to use operating funds to finance maintenance projects. Project cost limit is established in the annual Capital Outlay Appropriations Act.

## Instruction A: Line Item Appropriations

### Office of the State Budget:

- Issues budget instructions to all state agencies, university, and community colleges related to the development of the executive budget recommendation and submission of five-year plans.

### Agency, Community College, and State University:

- Submits a capital request for project funding to the Office of the State Budget including a complete description of the proposed project, need for the project, and estimated cost. Submission of five-year plans, as required in PA 431 of 1984, as amended (DTMB Act) are also due at this time.

### Budget:

- Reviews request and prepares the Capital Outlay portion of the Executive Budget Recommendation.

### Financial Services:

- Once an appropriations act has been adopted by the legislature and enacted by the Governor, the appropriation number and index number are assigned to the project.

### Facilities Administration:

- Writes the work order and distributes to the agency, Financial Services, and Facilities Administration, after appropriate state administrative board approval is secured.
- Provides oversight and monitoring of the project through completion, including various approvals required under PA 431 of 1984.

## Instruction B: Lump Sum Appropriations

### Agency:

- Submits a list of desired projects, including complete descriptions of the proposed projects, need for the projects, and estimated costs to DTMB, Office of the State Budget. Submission of five-year plans, as required in PA 431 of 1984, as amended (DMB Act) are also due at this time.

### Budget:

- Reviews request from state agencies, and prepares the Capital Outlay portion of the Executive Budget Recommendations.

### Financial Services:

- Once an appropriations act has been approved by the Legislature and enacted by the Governor, the appropriation number and control index number are assigned.

### Agency:

- Allocates available funds by priority using a DMB-400 Work Order Request and Approval form for each project.

### Facilities Administration:

- Reviews DMB-400 to ensure that project is appropriate for funding type and that fees are applied accurately.

### Financial Services:

- Assigns the project index number under the established control index.

Facilities Administration:

- Signed form is distributed to the agency, Financial Services and Facilities Administration.

Instruction C: Miscellaneous Operating Projects

Agency:

- An agency can use operating funds for maintenance projects by submitting form DMB-446. The DMB-446 gives a complete description of the proposed project, justification for the project, estimated cost, and accounting information.

Facilities Administration:

- Reviews DMB-446 to ensure that project is appropriate for funding type, that fees are applied accurately and obtains appropriate signature.
- Signed form is distributed to the agency, Financial Services, and Facilities Administration.

Agency:

- Reserves funds for project in the account designated on the DMB-446.

Instruction D: Disposition of Year End Funds

- For line item projects and lump sum funds, see the applicable Capital Outlay bill and "State of Michigan Financial Management Guide" Procedures.
- The departments/agencies are responsible for carrying forward all allowable funds for miscellaneous operating projects. Following guidelines in the "State of Michigan Financial Management Guide", Facilities Administration works with each agency to identify funds to be carried forward.

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