

0110.04 Allocation of Project Funding

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PURPOSE

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

APPLICATION

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

CONTACT AGENCY

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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

DTMB-0400 Project Request and Approval

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 released by the State Administrative Board (SAB).
- 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.

PROCEDURES

Instruction A: Line Item Appropriations

State Budget Office (SBO)

- Issues budget instructions to all state agencies, universities, 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 SBO including a complete description of the proposed project, need for the project and estimated cost. Submission of five-year plans, as required in the Management and Budget Act, PA 431 of 1984, as amended, are also due at this time.

SBO

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

State Legislature

- Adopts appropriations acts for each agency, including line item projects for agencies within each bill. Includes Community College and State University, as well as occasional agency projects within a general Capital Outlay bill.

Financial Services

- Once appropriations acts have been adopted by the legislature and enacted by the Governor, assigns the appropriation number to the project.

SBO

- Requests release of allotment from the SAB.

Agency (for projects included as line items in an agency appropriations bill) **or** **SFA** (for Community College, University, DTMB and agency projects not included in agency appropriations bills):

- Once appropriations acts have been adopted by the legislature and enacted by the Governor, assigns an index number to the project.
- Prepares Project Request and Approval (DTMB-0400) for projects in its appropriations act and submits to SFA.

SFA

- Reviews DTMB-0400 to ensure that project is appropriate for funding type and that fees are applied accurately.
- Distributes signed form to the agency, Financial Services and within SFA.
- For state agency projects, contracts for and manages the project.
- For University and Community College projects, 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 and justification of the proposed projects, and estimated costs to SBO. Submission of five-year plans, as required in the Management and Budget Act, PA 431 of 1984, as amended, are also due at this time.

SBO

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

Financial Services:

- Once appropriations acts have been approved by the Legislature and enacted by the Governor, assigns the appropriation number to the project.

Agency

- Once appropriations acts have been adopted by the legislature and enacted by the Governor, assigns an index number to the project.
- Prepares DTMB-0400 for projects included in its appropriations act and submits to SFA.

SFA

- Reviews DTMB-0400 to ensure that project is appropriate for funding type and that fees are applied accurately.
- Distributes signed form to the agency, Financial Services and within SFA.
- Contracts for and manages the project.

Instruction C: Miscellaneous Operating Projects

Agency

- An agency can use operating funds for maintenance projects by submitting DTMB-0400 to SFA. The DTMB-0400 gives a complete description and justification of the proposed project, estimated cost and accounting information.

SFA

- Reviews DTMB-0400 to ensure that project is appropriate for funding type, that fees are applied accurately and obtains appropriate signature.
- Distributes signed form to the agency, Financial Services and within SFA.
- Contracts for and manages the project or assigns the project back to the agency for contracting and management under the terms of a Memorandum of Understanding.

Agency

- Reserves funds for project in the account designated on the DTMB-0400.

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,” SFA works with each agency to identify funds to be carried forward.
