

State of Michigan
Administrative Guide to State Government

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

Department of Technology, Management and Budget (DTMB)
State Facilities Administration (SFA)
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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-SF Project Request and Approval - Single Funding](https://stateofmichigan.sharepoint.com/teams/insidedtmb/work_/DTMB%20Forms/Project%20Request%20and%20Approval%20-%20Single%20Funding.docx)

(https://stateofmichigan.sharepoint.com/teams/insidedtmb/work_/DTMB%20Forms/Project%20Request%20and%20Approval%20-%20Single%20Funding.docx)

[DTMB-0400-MC Project Request and Approval - Multiple Coding Blocks](https://stateofmichigan.sharepoint.com/teams/insidedtmb/work_/DTMB%20Forms/Project%20Request%20and%20Approval%20-%20Multiple%20Coding%20Blocks.docx)

(https://stateofmichigan.sharepoint.com/teams/insidedtmb/work_/DTMB%20Forms/Project%20Request%20and%20Approval%20-%20Multiple%20Coding%20Blocks.docx)

REFERENCES

[The Management and Budget Act, PA 431 of 1984](http://legislature.mi.gov/doc.aspx?mcl-18-1261)

(<http://legislature.mi.gov/doc.aspx?mcl-18-1261>)

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 chart of accounts to the project.

SBO

- Requests release of allotment from the SAB.

Agency or SFA

Agency for projects included as line items in an agency appropriations bill. 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 chart of accounts to the project.
- Prepares Project Request and Approval (use DTMB-0400-SF for single funding sources and use DTMB-0400-MC for multiple funding sources) for projects in its appropriations act and submits to SFA.

SFA

- Reviews DTMB-0400 to ensure that document has been signed by appropriate agency staff, project estimate and funding totals match and that the correct DCD administration fee is used based on project total.
- Obtains DCD staff assignments and SFA approval signatures and distributes signed form to the agency, Financial Services and within SFA.
- For state agency projects and for State College/State University projects as requested, contracts for and manages the project.
- For University and Community College self-managed 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 chart of accounts to the project.

Agency

- Once appropriations acts have been adopted by the legislature and enacted by the Governor, assigns chart of accounts 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 document has been signed by appropriate agency staff, project estimate and funding totals match and that the correct DCD administration fee is used based on project total.
- Distributes signed form to the agency, Financial Services and within SFA.
- Contracts for and manages the project or when applicable 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 Part II, Chapter 8 of the "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 Part II, Chapter 15, Section 400 of the “State of Michigan Financial Management Guide.”
