

ADMINISTRATIVE PROCEDURES

SECTION:	500 – BUSINESS PROCEDURES	CODE:	AP 503
PROCEDURE:	APPROVAL OF CAPITAL AND NON-CAPITAL PROJECTS		

BACKGROUND

Capital and non-capital projects shall be approved and implemented in accordance with legislation, regulations and these procedures.

Definitions

Project Estimates are order-of-magnitude, based on historical information for similar projects, and a survey of current market conditions. Detailed inspections have not been undertaken; therefore, estimates can vary for individual projects over fifty thousand dollars (\$50,000) by usually ten percent (10%)(but occasionally up to twenty percent – 20%). For projects of lesser value, estimates can vary by up to forty percent (40%) - depending on such factors as project type, market conditions, time of work schedule and access to site. Although project estimates can vary, final costs for projects are to be on or under budget.

Minor Capital Projects (Division) are capital projects that are carried out by the Division with no cost share or approval required from Saskatchewan Learning and are typically estimated to cost less than five hundred thousand dollars (\$500,000).

Non-capital projects (Division – maintenance) are expenditures that do not meet the guidelines for capitalization.

Capital Projects

Saskatchewan Learning uses the following definitions for funding purposes. The following definitions are not to be used in the determination of a capital or non-capital project for accounting purposes of the Division. Saskatchewan Learning developed their definitions for funding purposes and the definitions developed by the Division are based on Generally Accepted Accounting Principles within the accounting handbook of the Canadian Institute of Chartered Accountants.

(1) Major Capital Projects (Sask Learning/Division Shared) - This category includes new facility construction and major renovations where the total construction costs are five hundred thousand dollars (\$500,000) or greater. Saskatchewan Learning usually distributes its funding for these projects over two or more years. Major capital project funding requests submitted by Divisions are evaluated, prioritized and placed on the major capital project list. When the annual capital budget is approved, the available funding is allocated to the projects beginning at the top of the list. The major project list is updated each year.

(2) Block Projects (Sask Learning/Division Shared) - This category includes emergency repairs and building upgrade projects where total construction cost is under five hundred thousand

dollars (\$500,000). Types of work include roof repairs and replacements, relocatable classroom construction, minor additions, mechanical upgrading (ventilation, heating, air quality), structural stabilization, accessibility, asbestos removal and underground fuel tank removal. Block project requests are considered on a continuous basis each fiscal year. Divisions are asked to submit their needs each fall but emergencies are considered anytime during the year.

Maintenance (Division) applies to procedures for the purpose of maintaining satisfactory standards of comfort, safety and sanitation for the students and other users of the facility. The maintenance of the school facilities is the responsibility of the Division. Replacement of furniture, fixtures and small equipment that wears out over time will fall within the scope of routine maintenance work as defined by Saskatchewan Learning. Divisions are usually expected to fund the replacement of light fixtures, roof vents, down spouts, windows, doors and other such items from their maintenance budgets. Maintenance is part of the operating costs of a Division and as such is included with recognized expenditures in the calculation of the Foundation Operating Grant.

PROCEDURES

1. All Major Capital and Emergency Block projects and those Minor Capital, Non-Capital, and Maintenance projects of one hundred thousand dollars (\$100,000) or more in value are required to be approved by the Board.
2. Major capital projects are submitted annually to Saskatchewan Learning in a Five-year Capital Plan (B-5 application). A list of Emergency Block capital projects is also submitted annually to Saskatchewan Learning. Both require Board motions approving their submission to Saskatchewan Learning.
3. Proposed Minor Capital projects required as part of the Division's facility maintenance program shall be incorporated in the Division's Continuous Improvement Plan and capital portion of the annual budget.
4. The Director has the authority to approve Minor Capital projects, non-capital and maintenance projects less than one hundred thousand dollars (\$100,000) in scope. A Board motion approving the Board's Continuous Improvement Plan and annual budget shall indicate approval for these projects as well. The Director is responsible for the development of capital and non-capital plans and projects designed to sustain the Division's facilities. These plans and projects will be developed in consultation with principals or, in the case of Division Office facilities, with the applicable Division Office personnel.
5. The Chief Financial Officer shall be responsible for all financial arrangements, including the collection of capital grants, for capital projects.
6. The Director is responsible for the supervision and administration of all capital, non-capital and maintenance projects including the selection of consultants, the preparation of the necessary specifications and documentation for projects.
7. Once capital, non-capital and maintenance projects receive the appropriate approval, the Director shall advise the Principal and work with him/her to coordinate the implementation of the project.

8. The Director will provide periodic Facilities Report which will indicate to the Board the progress on individual projects over one hundred thousand dollars (\$100,000) in value. In situations where the costs of such projects exceed the estimated costs by more than ten percent (10%) (or at some lesser percent at the discretion of the Director), the Director will report the situation to the Board at the next Board meeting,

Reference: Sections 85, 87, 108, 109, 110, 278, 281, 282, 352 Education Act

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