



FY 2025 Capital Planning Guidelines

University of Miami
Coral Gables & Rosenstiel Campuses
Office of Financial Planning & Analysis (FP&A)

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Overview

The following instructions serve as general guidelines for the FY 2025 Capital Planning cycle for the Coral Gables and Rosenstiel campuses. Supplemental guidelines for capital planning at the Miller School of Medicine and UHealth will be provided separately.

Capital planning is an integral part of the University’s strategic and financial planning process. It informs and sets priorities on resource allocation to support the university’s physical assets, including building, land, infrastructure, information and communications technology and equipment. Capital planning provides a long-term perspective of the capital needs for the university and it is designed to integrate capital expenditures and funding availability, regardless of funding source.

The capital planning process provides an opportunity for divisional input regarding institutional capital needs and encompasses two main objectives:

1. To establish a prioritized list of needs that can inform decisions during the planning cycle
2. To advance the alignment of funding resources with priority needs

Anaplan is now open and available for units to submit capital needs and projects that will inform the FY 2025 capital plan and five-year capital plan.

Capital requests will be segregated into three categories:

- New Construction, Refurbishments and Renovations
- Fixed Equipment
- Movable Equipment

All FY 2025 capital requests will need to be submitted via Anaplan utilizing the capital input page.

Defining Capital

The term “capital” refers to the acquisition of assets such as, equipment, buildings and improvements, infrastructure, libraries and collections that meet the established capitalization threshold and a useful life of more than one year. UM-owned equipment purchases and/or capital projects must have an acquisition or renovation cost greater than **\$5,000** and **\$25,000**, respectively. For leasehold improvements and renovations, the threshold is **\$10,000**.

New construction/acquisition includes the construction of new buildings, additions to existing buildings, the acquisition of land and facilities, and new buildout of leased space.

Renovation includes construction work to existing facilities to adapt a facility to a new use or respond to changes in existing programs. For UM-owned space, the project must cost greater than \$25,000, for leased space the cost must be greater than \$10,000 in order to be considered a capital project.

Fixed equipment refers to permanently affixed/installed furniture, fixtures, and equipment. Building equipment, such as heating, ventilation, air conditioning and elevators are included in the fixed equipment category.

Movable assets include vehicles, furniture and equipment that are not part of a building, with an acquisition cost of \$5,000 or more per stand-alone unit and have a useful life of more than one year. The cost of the asset should include the purchase of the item, the costs related to putting the asset in place, and making it operational.

Building refurbishment and improvement costs are capitalized if construction costs (including labor and materials) are \$25,000 or more and add to the useful life or betterment of the building.

Non-capital projects are generally defined as projects under \$25,000 and/or with less than one year of useful life. Repairs and maintenance projects, such as interior painting and replacement of carpet are generally not capitalized, as they do not extend the useful life of an asset.

Repairs Versus Capital Improvements

Guidance for determining whether a project is a repair or a capital improvement is as follows:

- Costs to maintain an asset in its normal state of repair are considered ordinary repairs and replacements. Such items are reported as operating expenses and are not capitalizable.
- Examples of **non-capital** improvements are interior renovation such as repainting, carpet replacement, plumbing, electrical repairs, cleaning, replacement of a part of a building with a new part of the same type and performance capabilities or regular maintenance costs.
- Costs to replace an existing asset, or asset portion, with an improved or superior asset, usually at a cost materially in excess of the replaced item are considered improvements. Usually, an improvement results in a better, more efficient or more productive asset.

Capital Expenditure Categories

In addition to the capital definitions listed above, all units' submission should be made within one of the following categories, based on the institution's assessment of the expenditure's primary purpose and in line with the University's strategic plan.

1. Acquisition
2. Growth
3. IT related capital request
4. Library Acquisition
5. Research
6. Renovation and/or Replacement
7. R&R (Facilities & IT Only)
8. Vehicle

Acquisition is intended for the procurement of land, including the acquisition of facilities and/or land with built improvements.

Growth is reserved for assets/projects whose primary purpose is to accommodate enrollment growth or new strategic initiative. This category should include projects that are supported by a business plan and are tied to the University's strategic plan.

IT related capital request should be selected for the purchase and/or implementation of new technology, the acquisition of computer hardware and software, IT consulting services, including integration with central University systems and/or University data, infrastructure services, access control, and security reviews.

Library Acquisition is intended for the procurement of library collections, including the acquisition of library binding, library book purchases, library continuation, library electronic products, and library periodical purchase.

Research should be chosen for those projects or equipment acquisitions for which the primary purpose is to promote economic growth and innovation through expanded research activity. This category should correspond to a current or future proposal. In assigning projects that serve both the research and the instructional missions, consider the percentage of assignable square feet allocated to each mission.

Renovation and/or Replacement is the broadest category and should be utilized for equipment that cannot be repaired cost-effectively and full replacement of a current asset is necessary to continue the mission of the unit. It should also apply to projects that renovate facilities to restore building life and upgrade space to meet current programmatic requirements, new space may be programmed for the same or a different use than the space being replaced, and may include additions to improve access.

R&R (Facilities & IT Only) is reserved for the replacement and renewal program for the modernization of all units, including core facilities upgrades and technological innovation.

Vehicle should be selected for the procurement of vehicle.

Process Summary

Planning in Anaplan

All units anticipating capital purchases and/or capital projects greater than \$5,000 and \$25,000 respectively, are required to submit a five-year capital plan via Anaplan by **January 10, 2024**. To be considered for approval, all capital requests must be completed in Anaplan and contain complete input of all required due diligence questions in capital input page. Similar to prior year, each requested item must be listed with a unique priority number. Any requests with duplicate priority numbers will be sent back for revision.

In order to have proper accounting of capitalizable costs versus operating expenses, FP&A will audit all submissions for correct categorization and proper planning. Any capital request that does not meet the capitalization guidelines should be expensed and will need to be moved from the capital submission panels and planned under the departmental operating section prior to final departmental plan submissions. FP&A will contact all impacted units as applicable.

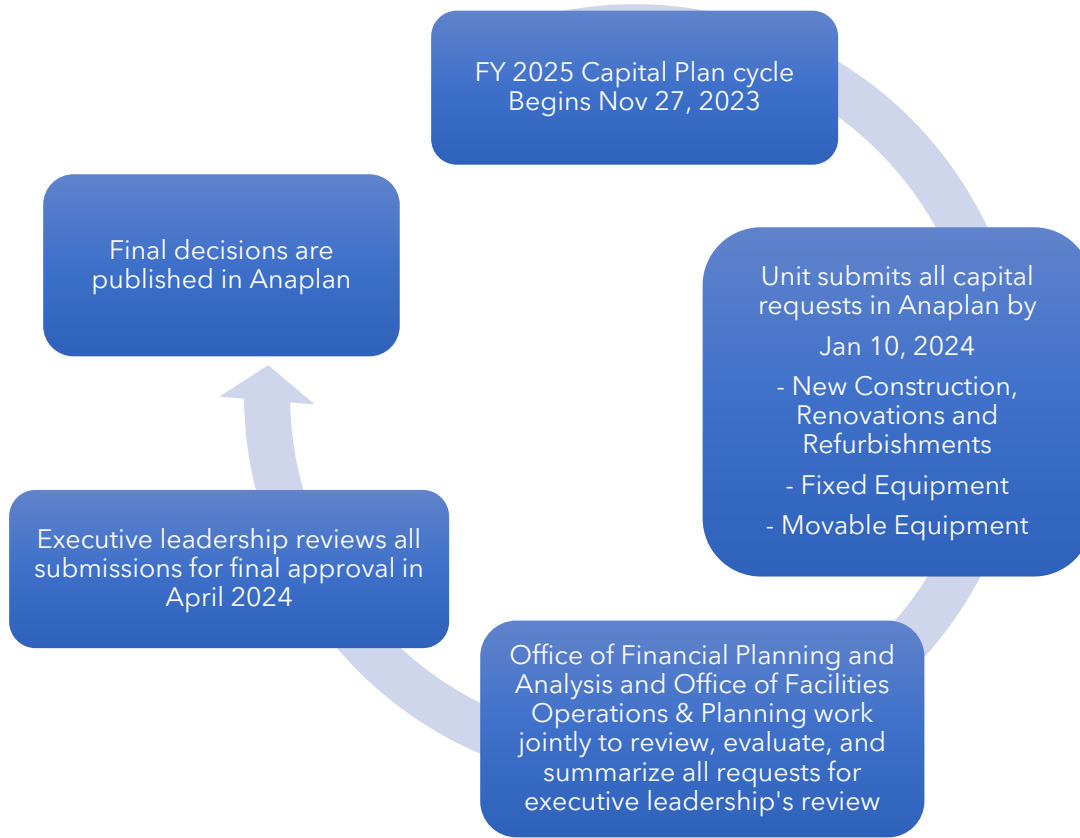
Any capital request requiring a material net cash outlay in FY 2025 will need to be strategically critical or a case made that the request is a component of a previous commitment and unable to be deferred. All capital expenditures regardless of funding source must be included in the capital plan (i.e. Gifts, Grants, Reserves, Debt, Operations, etc.). Capital requests supported by business plans and/or supported 100% from gifts will be considered; however, the request must first clear the “strategically critical” review by executive administration. As a reminder, all gift funded capital projects must have received the funds for the entire project cost before it can commence unless written prior approval is received or an internal loan is formalized. Multi-year capital requests, including faculty startup requests, will need to be submitted with a proper funding source per year.

Units anticipating new and/or carryforward capital projects that require an involvement of the Office of Facilities Operations & Planning, are strongly encouraged to collaborate with them in a robust pre-planning session to examine the needs and priorities prior to submitting the request in Anaplan. This process will enhance Facilities Operations & Planning’s due diligence review and refine the proposed capital plan request for executive leadership’s review.

Due Diligence Review

The Office of Financial Planning and Analysis (FP&A) will collaborate with the Office of Facilities Operations & Planning to enhance the accuracy and quality of capital requests submitted for review. All capital requests, except movable assets, will be jointly reviewed and evaluated with a dedicated team from Facilities Operations & Planning in order to perform due diligence, assess scope and feasibility of proposed projects, accuracy of cost estimates, and provide recommendations. FP&A will summarize all requests to executive leadership for final approval in April 2024. All final decisions will be available in Anaplan.

Process Cycle



Unbudgeted or Unplanned Capital

Any item not proposed as part of the FY 2025 capital plan will be treated as an “out of cycle request”, regardless of funding source, and does **not** guarantee consideration for approval during FY 2025, even if “the funds are available”. In other words, the availability of projected operating surpluses, plant funds, or other similar cash reserves will not suffice as a rationale to proceed with a capital project or expenditure. Please note, units submitting out of cycle requests (i.e. new projects/equipment, cost increase, scope changes, etc.) is expected to reprioritize items from the approved capital plan with the same funding source to cover any incremental spending. Therefore, the emphasis and effort should be on planning to ensure prioritizing and developing a capital plan within the context of the University’s strategic plan, guidelines, policies, and funding parameters. If a unit is capital intensive or experiences instances of unplanned capital expenditures, then each submitted capital plan should attempt to address this by way of an established contingency for such circumstances.

Carry-Forward Projects

On occasion, approved (and funded) capital expenditures do not occur during the expected fiscal year. This applies to capital projects that have started in FY 2024 or prior and have projected expenditures in the new year. Such capital expenditures are carry-forward items that require resubmission to update the budget and plan accordingly. If the project is already funded and led by Facilities, it is important for the units to coordinate with them for submission in the plan. The purpose of the resubmission is to accurately reflect the cash flow implication of previously approved capital items that have been delayed or deferred.

This applies to all capital items regardless of funding source.

Non-Capital Projects

As a reminder, **non-capital** projects include office renovations/updates, repairs or enhancements which may require the involvement of FO&P, but are not deemed capitalizable and will have to be excluded from the unit's capital submission. Any capital request submission considered not capitalizable throughout the review process will be communicated to each unit, as applicable. The unit is then responsible to input these items as part of their FY 2025 operating plan prior to the final plan submission.

Leases

Under the new guidance of ASC 842, lessees are required to recognize the following for all leases with a term of 12 months or greater at the commencement date: (a) a lease liability, which is a lessee's obligation to make lease payments arising from a lease, measured on a discounted basis and (b) a right-of-use (ROU) asset, representing the lessee's right to use, or control the use of, a specified asset for the lease term. Leases are classified as either operating or finance leases (formerly referred to as capital leases) and should be included in operating plan. Recognition, measurement, and presentation of expenses and cash flows arising from a lease are determined by a lease's classification.

Replacement and Renewal (R&R; Formerly Deferred Maintenance)

The University's Office for Facilities Operations & Planning is responsible for managing the replacement and renewal program for the modernization of all units, including Rosenstiel, Law, Athletics, and auxiliary operations. The University recognizes such needs continue to be significant and every effort continues to identify the resources to address high priority items. Facilities Operations & Planning in consultation with University leadership selects projects based on specific criteria, including but not limited to life-safety and code compliance requirements. Items identified on the replacement and renewal schedule should not be included in each unit's respective capital plan requests; rather, Facilities Operations & Planning will be responsible for planning such items.

IT-Related Capital Requests

All IT-related requests associated with the purchase and/or implementation of new technology for the University of Miami follow a standard process which ensures that these requests meet the University's security standards and helps to streamline and reduce costs wherever possible. A [ServiceNow request](#) must be submitted to the IT at the Academy team by **December 15, 2023**. IT at the Academy *must* approve the request prior to the purchase of hardware, software, or IT consulting services, including integration with central University systems and/or University data, infrastructure services, access control, security reviews, etc. Note: This process is not required for requests related to computers (desktops/laptops). For additional information, please review the [Acquisition of Computer Hardware and Software policy](#).

Direct Links:

ServiceNow request: https://umiami.service-now.com/self-service/nav_content.do?sysparm_page=UMIT%20Portfolio%20Management%20Demand%20%28formerly%20UMIT%20Governance%20RFS%29&sysparm_url=com.glideapp.servicecatalog_cat_item_view.do?sysparm_id=71ad2980eb221100b749215df106fe03

Acquisition of Computer Hardware and Software policy: https://umiami.policystat.com/policy/token_access/00772278-00a9-4530-9be9-43f215fc577d/

Capital Plan & Planning Cycle Timeline

Milestone	Due Date
Capital Plan & Planning Cycle Begins	November 27, 2023
Capital Requests for IT-Related Systems and New Technology Due via ServiceNow to IT	December 15, 2023
Capital Requests for Projects and Equipment Due in Anaplan	January 10, 2024
Office of Facilities Operations & Planning begins performing due diligence for all capital requests	Jan - Feb 2024
Office of Financial Planning & Analysis begins budget meeting	Feb - Mar 2024
Executive leadership team reviews all submissions	April 2024
Final approvals are published in Anaplan	May 2024

We look forward to a productive Capital Planning cycle. Our office will be available to assist every unit throughout the entire process. If you have any immediate questions or comments, please do not hesitate to contact us at capex@miami.edu

Thank you,

Office of Financial Planning and Analysis (FP&A)

Attachment I: Design and Construction Projects Pricing Guide

These costs are based on current market conditions and previous projects, and are subject to price increases due to unforeseen changes in market conditions. Accordingly, these costs should be used for decision support and not as actual estimates of total project costs inclusive of design, construction, furniture, and equipment cost. There are many variables in actual building design and construction costs that drive budgets in vastly different ways for what seem like fairly comparable projects. Therefore, these figures represent more of an average or typical scenario of potential project costs but are not intended to address every situation.

These figures represent Gross Square Foot (GSF) costs.

Refurbishment - No reconfiguration of space included

- Furniture
 - \$50.00 per sq. ft. for a 75% of open plan (workstations) and 25% of private offices
 - \$55.00 per sq. ft. for a 50% / 50% ratio of open plan (workstations) and private offices
 - \$70.00 per sq. ft. for executive/leadership offices, as well as lobbies and common areas
 - For specialized areas please contact the Office of the University Architect to prepare a budget
- Carpet and Paint
 - \$80.00 per sq. ft. (including moving existing furniture)
- Information Technology
 - \$35.00 per sq. ft.
- Access Control
 - \$5,500 per interior card reader

Renovation - Scope of work includes the physical reconfiguration of existing space - **Does not include furniture.**

- Office/Administrative space
 - \$350 per sq. ft - Light renovation - Layout of the existing space remains substantially the same. Minor modifications altering less than 10% of the existing walls. Existing furniture, power, and data layout will remain substantially the same and significant rewiring of power and data is not anticipated. Includes new carpet, paint, ceilings, and light fixtures.
 - \$500 per sq. ft - Moderate renovation - Layout of the existing space remains similar in layout. Modifications altering between 25%-50% of existing walls. Existing furniture, power, and data layout remain in similar quantities and locations. Includes new carpet, paint, ceilings, and light fixtures.
 - \$650 per sq. ft - Large renovation - Layout of the existing space layout is significantly altered. Modifications altering more than 50% of the existing walls. Reconfiguration of the existing furniture, power, and data layout is anticipated throughout the space. Includes new carpet, paint, ceilings, and light fixtures.
- Classroom
 - \$550 per sq. ft - Assumes the reconfiguration of existing space that is not currently classroom space. Includes demolition costs, construction costs, technology, and furniture costs.

- Laboratory
 - \$650 per sq. ft - Moderate Lab Renovation - Assumes a moderate renovation (including minor reconfiguration) of existing space that is currently laboratory space. Includes demolition costs, construction costs, technology, and furniture costs.
 - \$950 per sq. ft - Large Lab Renovation - Assumes a heavy renovation (including moderate reconfiguration) of existing space that is currently laboratory space. Includes demolition costs, construction costs, technology, and furniture costs.
 - \$1,350 per sq. ft - Substantial Lab Renovation - Assumes the complete reconfiguration of existing space that is not currently laboratory space. Includes demolition costs, construction costs, technology, and furniture costs.

New Construction - Includes the construction of new buildings, additions to existing buildings, the acquisition of land and facilities, and new buildout of leased space. Project specific estimate must be attained from Facilities Operations & Planning - Design & Construction department.

Items listed below are excluded from the per-square-foot amounts provided above, and represent additional costs to arrive at the total project budget:

- Security Cameras (if necessary)
- Move Costs (if necessary)
- Preliminary Surveys or Studies (if necessary)
- Special Equipment (if necessary)
- Audio Visual Technology
- Modification to existing building structure or infrastructure
- Specialty signage - exterior, directional, monument signage
- Building Infrastructure Upgrades - HVAC, Electrical, Plumbing, etc. (if necessary)
- Operating and Maintenance (O&M) expense for new building (\$9.00 per sq. ft)