Summary

This procedure sets forth guidelines to assist state-operated campuses of the State University of New York (SUNY) in management of minor critical maintenance funds. Minor critical maintenance represents a unique class of campus administered projects that are funded with capital appropriation. The minor critical maintenance process provides an efficient mechanism for campuses to initiate and manage qualifying critical maintenance projects that have a defined scope and cost.

It is incumbent upon each campus to establish sufficient internal controls and approval processes for projects and expenditures pursuant to this procedure. These controls and processes should be designed to ensure that minor critical maintenance projects are administered in accordance with the State University Construction Fund’s (the Fund) Campus Administered Project Procedures including the Memorandum of Understanding, the Fund’s Program Directives, SUNY Purchasing and Contracting Procedures and all applicable Federal and State laws and regulations.

The four primary goals of the SUNY’s Minor Critical Maintenance program are:

1. To facilitate the delivery of capital projects that reduce critical maintenance backlog and maintain a state of good repair for educational and hospital facilities.
2. To maintain substantive project level data as described in this procedure to support the SUNY capital program’s management of current and future cash needs, development of long range funding requirements, and reporting on progress for the planned reduction of critical maintenance needs.
3. To ensure that projects developed pursuant to this procedure comply with the requirements of critical maintenance appropriations supported by bond proceeds; in particular that such projects have a sufficient useful life and are deemed critical maintenance in nature.
4. To support the preparation of SUNY’s financial statements and the accurate maintenance of project capitalization records.
Process

Qualifying Projects

To qualify for minor critical maintenance funding each project must meet the following criteria:

1. The project must be for critical maintenance.

For the purpose of this procedure, critical maintenance is defined as projects necessary to preserve existing State owned capital assets or facilities in good working condition, suitable for their current utilization, and compliant with all prevailing codes, rules, regulations, and standards governing their usage. Critical maintenance may include the removal of hazardous building materials such as lead paint, asbestos, and PCB ballasts or caulk. However, a project whose primary purpose is to modernize or upgrade existing facilities would not be considered a critical maintenance project.

2. The project scope should be able to be completed within a relatively short period of time, generally deemed to be within 12 months.

3. The project must have a discrete definition and scope, such as:
   - The project is limited to a specific building or group of related buildings
   - The project is limited to discrete components of a specific building or group of related buildings;
   - The project addresses specific aspects of campus site or infrastructure.

4. The project scope must have an estimated useful life of 10 years or more.

5. The estimated total project budget, including design and construction costs, must be between $5,000 and $150,000.
   - Projects with an estimated cost of less than $5,000 are to be funded from operating or other campus resources. Projects with an estimated cost of more than $150,000 must be submitted to the Fund for approval as individual campus administered project request.
   - Minor Critical Maintenance projects over $100,000 must be capitalized in accordance with SUNY's capitalization procedure...
     - SUNY Capitalization Form and Instructions
     - SUNY Procedure 7004 - Capitalization Policy and Depreciation Policy for Capital Assets

6. The project must be separately sub allocated within the SUNY Accounting System as discussed later within this procedure.

Any campus questions regarding a project’s eligibility to qualify for the use of minor critical maintenance funding should be referred to the campus program manager at the Fund.

Examples of Non-Qualifying Projects

Each project types listed below are examples of projects that do not qualify as minor critical maintenance projects:

1. Grouping of independent or unrelated tasks into one project, such as a single project for a series of miscellaneous summer tasks;

2. Establishing a project to accommodate cost overruns, contingencies, or other costs relating to a separate project;

3. New construction, additions, or facility upgrades that are not a critical maintenance project as previously
defined within this procedure;

4. Projects related to office, program, or departmental relocations to support program enhancements or new program initiatives;

5. Studies or stand alone design services unrelated to a qualifying minor critical maintenance project;

6. Routine or recurring maintenance or operational expenses, such as the following, when they are not an integral component of a qualifying minor critical maintenance project:
   - Moving expenses;
   - Painting;
   - Landscaping;
   - Office remodeling for program enhancement, adaptations or accommodations for new initiatives;
   - Small scale hardware replacement;
   - Disposal of chemical, radioactive or other hazardous waste from routine and typical academic or research activities;

7. The acquisition, replacement or repair of moveable furniture, equipment, and carpeting

8. Parking facility and parking area maintenance and operations, including resealing, resurfacing, and restriping;

9. Projects established solely for staff (refer to SUNY Procedure “Charging Campus Staff to Capital Appropriations”, document number 7302), including:
   - Indirect labor charges (management and administrative support);
   - General summer work crews whose purpose is to supplement staff for routine maintenance (please note that campus labor for a qualifying critical maintenance project can be charged to that project);
   - General allocations of departmental wages;
   - Professional staff;

**Project Accounting**

The procedures for supporting the administration and accounting of minor critical maintenance are further detailed below.

1. **The Fund Establishes a Minor Critical Maintenance Project**

The Fund will establish a project for each campus’s allocation of minor critical maintenance funding. These projects are designated by a title that will reference “Minor Critical Maint” and a standard project number using the format of CCMYY in accordance with the following:

   CC = Campus Designation

   M = The Designation of Minor Critical Maintenance

   YY = Funding Year

2. **Campus Requests Coding and the Fund Establishes Master SUNY Account**

As required for all campus administered projects, the Campus must submit a request for coding to the campus program manager at the Fund. Upon approval of the request, the Fund will establish and fund a master account for the campus.
3. **Campus Creates Sub Accounts For Each Qualifying Project**

The campus must create a sub account for each qualifying project within the SUNY accounting system in accordance with SUNY accounting procedures. Expenditures placed against a master account number (identified by the 00 or 99 sub account reference) will not be allowed. For information on establishing a sub account, contact the SUNY Controller’s Office.

Up to 98 sub accounts can be established within each master account. If more than 98 sub accounts are required, the campus should contact the campus program manager at the Fund to request the creation of an additional master account.

When establishing sub accounts, the following protocols should be followed:

- Each sub account must be for a discrete qualifying project as defined within this procedure.
- Each title must begin with an MXXNNN project number, where XX is the two digit campus designation and NNN is a sequential number.
- Titles of projects should be descriptive and reference building names when possible.

4. **Processing Expenditures**

Expenditures for minor critical maintenance projects must be processed through the SUNY accounting system and should be charged directly to the appropriate sub account. In the instance where expenditures must be journal vouchered to the sub account, the journal voucher must be processed within 45 days of the original transaction date.

Campuses are encouraged to make full and prompt use of minor critical maintenance funds. Therefore, funds associated with the oldest minor critical maintenance appropriation should be spent first.

**Project Completion**

Upon completing a project all open encumbrances must be unencumbered and any unexpended allocation transferred back to the master account or to another project.

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**Forms**

There are no forms relevant to this procedure.

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**Related Procedures**

* SUNY Policy 7004 - Capitalization Policy and Depreciation Policy for Capital Assets

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**Other Related Information**

**Compliance Reviews**

Reviews of campus compliance with this procedure may be initiated in the form of both correspondence and on-site visits to ensure that the funds allocated by the campus support qualified projects and that the expenditures are for the project of record.
Authority

There is no authority relevant to this procedure.

History

This Minor Critical Maintenance Procedure updates and replaces the State University Construction Fund’s Minor Critical Maintenance Procedure issued in July 2010 and supersedes the Minor Rehabilitation Funds Policy issued in April 1996. The content and name of the procedure was changed to more accurately reflect the purpose and type of funding that supports the program. The most notable change was to reinforce that all projects must be solely to address critical maintenance as defined by the Procedure and have a minimum 10 year useful life. Another significant change is to increase the maximum project size from $100,000 to $150,000.

The Minor Rehabilitation Program was initially funded by the State with separately identified hard dollar appropriations. The program was established as a mechanism to allow campuses to do small, critical projects that addressed immediate health and safety concerns. The amount of funding provided to a campus was determined by the seriousness and immediacy of the necessary rehabilitation. During the second Multi-Year Capital Program, campuses were provided the option to augment their hard dollar appropriations by self-allocating a portion of their multi-year bonded appropriations towards the Minor Rehabilitation Program. This began the onset of using bond funds, as opposed to hard dollar funds, to support that program.

Further influencing the content of the revised procedure was the enactment of the 2008 Critical Maintenance Multi-Year Capital Program. Justification for the 2008 Program was based on the 2007 Capital Reinvestment Study and the Building Condition Assessment Study which demonstrated the amount of funding SUNY needed to address critical maintenance backlog and to achieve a state of good repair. Capital funding was provided to SUNY with the understanding that it would work towards this goal.

Appendices

There are no appendices relevant to this procedure.