Title: Approval of Capital Expenditures  
Policy Number: 04.32.01  
Issuing Authority: Board of Trustees  
Responsible Officer: Vice President, Chief Financial Officer and Treasurer  

Date Created: September 25, 1984  
Date Last Amended/Reviewed: April 10, 2014  
Date Scheduled for Review: April 2017  
Reviewing Office: Financial Affairs  

Scope of Policy & Rationale:  
This policy covers all capital expenditures and related expenditures for architectural services.  

Definitions  
Capital Expenditures are defined as expenditures for construction, renovation, and purchase of real property or other long-lived asset (in excess of one year).  

Policy Statement  
The Board of Trustees, through its Executive Committee and its Facilities Committee, shall approve and monitor capital expenditures, consistent with the university's policies on open and competitive bidding and nondiscrimination, according to the policies set forth herein.  
Purchases of several related items which normally would be aggregated as a single purchase, shall be treated as a single expenditure under this policy in determining required levels of approval. In no case shall expenditures which would normally constitute a single purchase be separated for the purpose of avoiding higher levels of review and approval as required by this policy.  

1. The president of the university, or the president's duly authorized designee, is authorized to approve individual Capital Expenditures that do not exceed $500,000 each. Each such approved expenditure in excess of $150,000 shall be reported to the Facilities Committee and the Executive Committee of the Board of Trustees at their next regular meetings.
2. The president of the university, or the president’s duly authorized designee, is authorized to approve architectural service contracts in an amount less than $100,000 or that are not related to a Capital Expenditure with a cost in excess of $500,000. Each such approved expenditure for architectural services in excess of $100,000 shall be reported to the Facilities Committee and the Executive Committee of the board of Trustees at their next regular meetings.

3. Proposed Capital Expenditures in excess of $500,000 each and architectural services contracts in excess of $100,000 or related to a Capital Expenditure shall be submitted to the Facilities Committee and the Executive Committee of the Board of Trustees for approval.

4. This policy supersedes all previous actions of the Board of Trustees governing approval of capital expenditures.

Notes:

1. Dates of official enactment and amendments:


   “Discretionary Limit on Professional Service Assignments by Officers” policy adopted by the Board of Trustees on December 11, 1973.

   “Capital Budget Projects – BoardApprovals” policy (consolidating the above referenced policies) adopted by the Board of Trustees on September 25, 1984. Amended on May 11, 1993; March 10, 1998; April 10, 2014.

2. History:

   The original 1969 policy allowed officers to authorize capital projects up to a limit of $25,000 without review and approval by the board, and was amended in 1977 to raise the amount to $50,000.

   The original 1973 policy authorized officers to contract, without review and approval by the board, for professional services required to develop plans, specifications and cost estimates for renovation projects up to a limit of $50,000.

   The 1984 consolidation and amendment maintained the $50,000 limit for capital project authorization by officers; lowered the authorization limit for approval of professional services fees to $10,000; authorized only the president to approve professional services.
fees under $10,000; required compliance with policies on open and competitive bidding and affirmative action; and authorized dismissal of any employee who knowingly violated the policy.

The 1993 amendment provided a name change to “Approval of Capital Expenditures”; raised the capital project authorization limit to $150,000 and the professional services fees authorization limit to $30,000; authorized the president only to approve capital projects costing between $50,000 and $150,000 and professional services fees between $10,000 and $30,000; provided procedures for obtaining presidential approval; and expressly superseded all previous actions of the board governing approval of capital expenditures.

The 1998 amendment changed the authorization limit of the president for all capital projects up to $300,000 and for professional services contracts up to $50,000; deleted the provision regarding dismissal of employees who knowingly violate the policy; revised the approval procedures; and superseded all previous actions of the board governing approval of capital expenditures.

The 2014 amendment (a) revised the definition of “capital expenditures”, (b) increased the authorization limit of the president for such expenditures to $500,000, and (c) revised the separate limitation on contracts for architecture services.

3. Cross References/Appendix:

Board of Trustees Policy # 04.32.02, Policy on Competitive Bidding
Board of Trustees Policy # 04.81.01, Ratification of Nondiscrimination Policy
Board of Trustees Policy # 04.83.01, Temple University AIDS Policy
Temple University Affirmative Action Plan