

**Manhattan Area Technical College
Institutional Policy and Procedure Manual**

Policy No. 6.2.3

Title: Capital Projects	
Originated by: President	
Signature	Date: July 11, 2006
Approved by: Dr. Robert J. Edleston, President	
Signature	Date
Reviewed on:	Revised on: July 1, 2011

Policy Statement: In consideration of the scope of capital projects and in compliance with MATC Board of Directors policies it is imperative that all major projects, other than those which are part of an established educational program, be approved and monitored by the MATC Board of Directors (hereafter may be referred to as Board). Nothing in this policy is intended to override or modify the College's capitalization policy established for financial reporting purposes.

Rationale: The authorization and oversight of MATC funds for any individual expenditure or project in excess of \$25,000 are the responsibility of the Board.

Definition: A "capital expenditure" is any expenditure to construct or acquire property, plant or equipment that meets the following criteria: 1) has an estimated useful life of two or more years; 2) is not intended for sale in the ordinary course of college operations; and 3) has been acquired or constructed with the intent of being used by the college in pursuit of its educational mission.

Procedure:

1. CAPITAL IMPROVEMENT PROJECTS

a. Process

The initial concept request for authorization of a project and its funding are received for consideration by the MATC Board of Directors through the College. Capital improvements are generally defined as projects exceeding \$50,000 and include new buildings, major remodeling/alterations, or significant utility projects.

(1) Architect: The planning for and inspection or observation of construction of all new buildings and major renovations on MATC owned or controlled property must be done by a private architect who has been hired for the project. A written program for each building project is to be submitted and approved by the Board before the College seeks an architect.

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(2) Architectural Program Statements: Minimum requirements for architectural program statements include introductions, space projections, space summaries, space descriptions, project budgets, project schedules, new buildings operating costs, and proposed source of funding (or a statement that such will not be requested). Additional information that the institutions deem necessary may be included.

(3) Preliminary Plans: Following Board approval of a specific capital improvement, preliminary plans for a building or project and the location of the new building shall be submitted to the Board or its designated subcommittee for review and approval before final plans are prepared.

(4) Final Plans and Specifications: Final plans and specifications of a project must be submitted for Board approval.

(5) Construction Contracts: Board approval of construction contracts is required even if there are no federal funds involved in the financing of a project.

b. Funding

(1) Funding for Buildings and Construction Projects may be provided from General Revenue funds, capital outlay funds, revenue bond proceeds (if allowed), restricted fees, and/or other resources as approved by the Board.

(2) Federal Grant Requests: All institutional requests for federal grants for capital improvements shall be submitted to the Board for review and approval before the request is submitted to the appropriate federal agency.

(3) Private Funds: No capital improvement project that is funded in part or totally from private funds may proceed to signature of contract unless and until all private funds have been deposited in an account for the use of the project or a letter of credit has been received by the President and Chief Financial Officer which guarantees the availability of the funds necessary to complete the project.

(4) Fund raising: Notification of all capital improvement projects to be funded in part or in whole from private resources must be submitted to the Board before fund raising efforts are publicly announced.

2. REPAIR & REHABILITATION PROJECTS

a. Process: Repair and rehabilitation projects are generally defined as routine maintenance or minor remodeling not exceeding \$50,000. Repair & rehabilitation projects meeting the definition of "capital expenditures" outlined in the introduction of this policy or any project that exceeds \$25,000 must be authorized by the Board prior to commencement of said project. If a repair project is a result of an emergency situation and it is not possible to wait until a special Board meeting to seek approval of the project, then the Board chairperson is authorized to sign off on the emergency repair project on behalf of the full Board.

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3. INSPECTIONS

a. An annual inspection of all buildings at institutions under the jurisdiction of the Board shall be made by the State Fire Marshal with copies of the inspection report to be sent to the institution. Within 30 days of receipt, the institution shall provide a report of the State Fire Marshal's annual inspection report and the institution's response thereto to the Chair of the Board; provided, however, that any notice of citation, potential sanction, violation, cease and desist order, or hazard requiring follow-up by the institution shall be immediately reported to the Board Chair.

4. INSURANCE

a. MATC will be required to carry boiler insurance if a boiler is installed in MATC owned or leased property. The policy must provide for adequate inspection by the company writing the insurance.

b. MATC may secure property and casualty insurance on buildings and equipment of housing facilities, student unions, and student health services operated by the institution, as well as on buildings where such insurance is required as a part of a loan agreement. Insurance may also be carried on buildings or other gifts where the donor requires that insurance be carried.

5. NAMING OF BUILDINGS

a. Buildings shall be named by the Board based on the recommendations of the chief executive officer of MATC and the MATC Foundation Board of Trustees. At the time the agenda item is submitted, the name shall not be included; however, the proposed name and a brief narrative shall be provided individually to Board members at least one week prior to the Board meeting. No public communication of a proposed name shall be made until the name is presented for consideration at an open meeting of the Board.

6. PRIVATE HOUSING

a. Institutions may not enter into agreements (written, verbal, or implied); give preference to any owner or operator; guarantee occupancy or payments; or provide public funds for supervision, maintenance, or operation of private housing; unless approved by the Board.

7. LAND TRANSACTIONS

a. Leases (Including Oil and Gas Agreements)

(1) Leases of real property where the annual lease payment is \$20,000 or more must be approved by the Board and institutional counsel as to form and shall be approved by other state agencies where required by statute.

(2) No real property owned or controlled by MATC shall be leased unless a notice of intention to lease said property has been published at least thirty days prior to execution of any documents; provided, however, that this requirement shall not be imposed on leases with another state agency or a political subdivision.

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(3) No lease of land for the production of oil, gas, or other minerals shall be for a period of more than ten years and shall be awarded only upon competitive bids.

b. Easements

(1) The chief executive officer shall act on behalf of the Board in granting or conveying right-of-way easements across any land under the custody and control of the Board. Easements may be granted with or without receiving consideration thereof, and may permit use of the land for purposes of access, convenience, or necessity and such other right-of-way purposes as are customarily related to such easements.

(2) Easement documents must be submitted to the College's Board for approval as to form.

c. Sale of Real Property

(1) All sales of real property owned or controlled by MATC must be authorized by law and approved by the Board. Under present agreement with USD 383, if the College ceases to exist or if the land would no longer be used for educational purposes, the land reverts back to the grantor.

(2) No real property owned or controlled by the Board shall be sold unless a notice of intention to sell said property has been published at least thirty days prior to execution of any documents.

(3) No real property owned or controlled by the Board shall be sold until the property has been appraised as required by law.

d. Acquisition of Real Property

(1) The Board may acquire real property necessary to properly maintain and carry on Manhattan Area Technical College or the business thereof. All purchases of real property must be authorized by law and approved by the Board.

(2) MATC shall submit a description of all properties that it desires to purchase to the Board for approval. Such description shall include a legal description of the property, anticipated use, and the estimated cost of purchase and razing or renovating such property.

(3) No real property (aside from the Building Trades lot annual purchase) may be purchased by the Board until the property has been appraised as required by law.

(4) All original instruments relating to land acquisitions shall be maintained by the Board Clerk and the VP of Business Services.