



UNIVERSITY OF
KENTUCKY
Regulations

Administrative Regulation 8:2

Responsible Office: Executive Vice
President for Finance and Administration /
Treasurer

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Approval of University Capital Projects (Approved by Board of Trustees)

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I. Introduction

This Administrative Regulation outlines the process for all University units to request, through the President, approval of University Capital Projects by the Board of Trustees (Board).

II. Entities Affected

This regulation applies to all units of the University, including but not limited to the Hospital system, affiliated corporations and auxiliary enterprises.

III. Definition

For the purposes of this Administrative Regulation, “University Capital Project” includes those which involve University-owned land or which are for the University’s use and benefit, and:

- A. The construction, reconstruction, improvement, or structural maintenance of buildings estimated to cost \$1,000,000 or more; or
- B. The acquisition or improvement of a building or real property estimated to cost \$1,000,000 or more.

IV. University Capital Project Approval Authority

- A. Prior to initiation, all University Capital Projects, regardless of fund source, shall be approved by the Board, except for emergency University Capital Projects pursuant to Section VI of this regulation.
- B. Prior to initiation, all debt financing transactions for University Capital Projects shall be in compliance with the [University Debt Policy](#).
- C. The Board shall approve scope increases to University Capital Projects that exceed fifteen percent (15%).
- D. The President shall approve scope increases to University Capital Projects that do not exceed fifteen percent (15%).
- E. The President shall provide to the Board a Quarterly Capital Construction Report describing the status of ongoing University Capital Projects.

V. Procedure for Requesting Board of Trustees Approval to Initiate a University Capital Project

- A. Prior to requesting Board approval to initiate a University Capital Project, the unit shall develop a University Capital Project Plan that includes at least the following:
 - 1. Need analysis;
 - 2. Project scope;
 - 3. Financial plan for funding the University capital project and the recurring operating costs; and
 - 4. Legislative authorization.

The unit shall consult, as necessary, with the Capital Projects Management Division and the University Budget Office (UBO) in developing the above plan.

- B. The University Capital Project Plan shall be submitted to the Provost or appropriate executive vice president for review. The Provost or appropriate executive vice president shall, in consultation with the Executive Vice President for Finance and Administration (EVPFA), make a recommendation to the President.
- C. The President shall determine whether to recommend the University Capital Project to the Board.
- D. Project scope increases or decreases and revisions to financial plans shall follow the same procedures.

VI. Emergency University Capital Projects

- A. An “Emergency University Capital Project” is a University Capital Project as defined by this regulation and is:
 - 1. Necessitated by injury or damage resulting from a disaster;
 - 2. Necessary to maintain University operations or to prevent or minimize injury or damage that could reasonably be expected to result from an impending disaster; or

3. Necessitated by an unforeseen mechanical breakdown, electrical breakdown, or structural defect that must be corrected to make a facility or structure usable.
- B. The President shall determine whether a University Capital Project is an Emergency University Capital Project. Upon such a determination, the Emergency University Capital Project may be initiated and shall then be reported to the Board at its next meeting.
- C. Emergency University Capital Projects shall be reported to the Capital Projects and Bond Oversight Committee pursuant to KRS 45.750 – 45.810.

References and Related Materials

KRS 164A.560

KRS Chapter 7A

KRS 45.750 – 45.810

Governing Regulation Part II, Governance of the University of Kentucky

University of Kentucky Debt Policy

Revision History

7/1/1983, 10/1/1984, 9/18/1993, 9/23/1994, 6/11/1996, 8/18/98, 11/1/2001, 12/14/2004, 10/10/2006, 9/9/2016

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