



Administrative Procedure AI-P016

PROCEDURE FOR THE CREATION OF AND ADJUSTMENTS TO PROJECT BUDGETS

Responsible: Office of the Business and Financial Services and Capital Projects Department

PURPOSE

This administrative procedure shall establish the process under which Business staff establishes project budgets for capital projects after authorization by the Board of Trustees.

PROCEDURE

1. The Capital Projects (CP) Department is responsible for preparation of the agenda for the Capital Funding Protection Committee (CFPC) and for identification of projects and estimates on each agenda that require CFPC's approval.
2. Prior to finalizing the agenda, CP will meet with staff from the Office of Business and Financial Services ("Business") to finalize the funding sources for each project. The funding sources may include proceeds from the issuance of "rollover" bonds, other general obligation bonds, medium term bonds, fund balance, or cash receipts from WC-1 sales tax collections or property taxes. Projects will not be submitted to CFPC until Business confirms funding.
3. Generally, the project list identified by CP should be consistent with the current fiscal year budget for capital project funds and the 5-Year Capital Improvement Plan. If not, staff will first seek to identify if there are other available monies in capital project funds to cover the cost of such unplanned projects. If other monies are not available, a budget augmentation may need to be prepared and approved by the Board of Trustees ("Board") concurrent with or prior to Board approval of projects.
4. The project list for CFPC's approval, an example of which is attached, may identify major specific projects as well as projects that are consolidated under a general project name such as "Capital Renewal", "Core School Improvements" or "land acquisition".
5. For projects that are consolidated under a general project name such as "Capital Renewal" or "Core School Improvements", CP may provide additional detail within each "project type" and estimated costs, such as more specific categories (e.g., Roofing or HVAC) or individual sites to be included.
 - a. However, neither the CFPC nor Board approves individual projects budgets.

- b. The level of appropriation control is by Major Project, such as "Capital Renewal", "Core School Improvements", "New Arrowcreek Middle School", etc.
6. After CFPC approves the project list with any modifications, the project list must be approved by the Board.
7. Upon approval by the Board of submitted projects, staff in Business will set up a project budget for each approved project in the District's Job Ledger (JL) system.
8. It is understood that project costs for individual projects may exceed the project budget, the cost of an individual project may be less than the project budget thereby resulting in savings, a project may be cancelled due to any number of reasons, and/or a new project may be identified subsequent to CFPC's and the Board's approval.
9. In such a case, Business may administratively process budget adjustments to or from individual project budgets in the JL system with the approval of the Chief Financial Officer and either the Chief Operations Officer or Chief Facilities Management Office, as long as the total budget by Major Project is not exceeded.
10. If adjustments to the total budget of a Project, such as "Capital Renewal" and "Core School Improvements", are required, CP will submit the adjusted budget to CFPC and the Board for approval. Staff from Business will then adjust the project budgets in the JL system upon approval.

DEFINITIONS

1. Capital Improvement Plan is a 5-year plan of proposed capital projects that complies with NRS 354.5945 and which is required to be submitted to the State Department of Taxation and county debt management commission on or before August 1 of each year.
2. Roll over bonds refers to general obligation bonds that pledge the District's property tax debt rate as authorized by either the voter-approved or legislatively approved 10-year bond issuance program.
3. WC-1 refers to refers to the election in November 2016, win which Washoe County voters approved a 0.54% sales tax for school district capital projects.

IMPLEMENTATION GUIDELINES & ASSOCIATED DOCUMENTS

1. This Administrative Procedure reflects the goals of the District's Strategic Plan.
2. This Administrative Procedure aligns with Nevada Revised Statutes (NRS) and Nevada Administrative Code (NAC) to include:
 - a. NRS Chapter 354, Local Financial Administration, specifically:
 - i. NRS 354.470-626, Budgets of Local Governments
 - b. NAC Chapter 354, Local Financial Administration, specifically:
 - i. NAC 354.410, Available Resources
 - ii. NAC 354.559, Contents and form; deadlines for submission; forwarding of final budget.
 - iii. NAC 354.815, "Cost center" defined

REVIEW AND REPORTING

1. This procedure and any accompanying documents will be reviewed bi-annually in even numbered years.

REVISION HISTORY

Date	Revision	Modification
03/27/2020	1.0	Adopted