To: Ithaca Campus College Officers and Division Finance Officers

From: Paul Streeter, Vice President for Budget and Planning

Date: September 29, 2020

Subject: Call for FY2022 Submissions for the Annual Capital Budget and Five-Year Capital Plan

I am writing to begin the FY2022 capital budget process with our annual call for capital project submissions. The specifics of the submission process are detailed below:

The annual capital planning input process provides key data necessary for my Division to fulfill two primary responsibilities:

• Develop a realistic and accurate annual capital budget, and
• Conduct on-going capital planning to identify and understand capital needs and, where appropriate, help to define future capital projects working in partnership with Units and Facilities and Campus Services colleagues.

Please keep in mind, capital planning is related, but separate from capital budgeting. Our overall objectives remain as they have in the past, and include:

• Implementing appropriately scaled planning for capital needs to size scope and budget for projects early in development;
• Establishing a prioritized list of needs that can shape the plan and planning decisions in future years, and
• Improving alignment of funding resources with priority needs.

Annual Capital Budget Submission details are below:

The Longview Capital Planning Tool (CPT) will be open for approximately 3 weeks starting on Wednesday, September 30, 2020, closing Wednesday, October 21, 2020. During this time Colleges and Units are asked to review their capital needs and priorities along with available funding and submit them into Longview CPT. This information will be used to inform the development of the FY2022 one-year capital budget and the FY2022-FY2026 five-year capital plan.

For the FY2022 submission, units are asked to 1) enter any newly identified needs and projects for the one year capital budget and five year capital plan; 2) prioritize the full list of unit needs and projects, placing the highest priority on projects where funding is available and timing is of the essence and 3) review and modify those items already included in Longview CPT.
Any needs or projects already entered into the Longview CPT in past years, should be reviewed against the status audit guidance (please see the Longview CPT Quick Reference Guide starting at page 47 for more information on the status audits: https://cpb-us-e1.wpmucdn.com/blogs.cornell.edu/dist/b/6138/files/2020/09/Longview-CPT-Quick-Reference-Guide-1.pdf), to keep the flow of projects moving through the system. Projects placed on hold in FY2021 are held within the “Deferred” status in Longview and should be reviewed when entering in capital needs for the FY2022 planning cycle. If status changes are needed, request can be sent to: cp-help@cornell.edu.

Existing projects/needs do not need to be re-entered into the system but should be reviewed to capture updated descriptions, schedules, or budgets. If a project is currently active and held in the status “Authorized”, the University Budget Office will maintain the record within Longview, aligning details to the latest Project Approval Request (PAR).

Given the constrained and uncertain fiscal environment we continue to operate in, planned capital activity for FY2022 should also be constrained to only high priority projects for which timely execution is necessary and funding is certain. Our objective is to advance a realistic capital budget supporting planned and necessary priority projects while also being attentive to our continued financial uncertainties.

The five-year plan should continue to focus on strategic renewal and will be guided by the following principles and criteria:

- Program needs should be met through the re-use and redevelopment of existing space without the addition of net new space.
- Plans and projects should consider synergies and coordination between needs and resources, including addressing maintenance and renewal needs.
- Needs and projects may be submitted with undefined funding plans for capital, operating, and renewal costs. Need identification and prioritization begins an important conversation that can then resolve funding concerns.

Gauges of importance to keep in mind are health, life safety, risk reduction, compliance, asset protection, critical maintenance, cost savings/avoidance, and select “mission critical” programmatic and infrastructure improvements.

Please don’t hesitate to contact Davina Desnoes (dad327) or Courtney Leckey (cml73) should you have an urgent question or issue that may delay your unit submission processes.

Specific Instructions for Capital Plan Submissions

All capital needs and projects with an estimated budget of $250,000 or greater should be entered into Longview CPT. Note: Please refer to the Lease Classification section located here: https://www.dfa.cornell.edu/accounting/topics/lease-classification for guidance on reporting and accounting for leases.

All anticipated capital spending activity for FY2022 that will be funded by the operating budget will need to be clearly identified and funded in the FY2022 operating plan. The University
Budget Office will provide drafts of the FY2022 one-year capital budget with associated five year spending with the operating budget planning assumptions in early February.

All projects should include a total project budget, using an estimate if the total is not currently firm. If the funding source is not yet identified or only partially identified, then the amount of the uncertain budget amount should be entered under “Third Party Developer” as the source. A note should also be added to the description field that indicates that some or all of the funding sources are “to be determined” (TBD).

Debt is not available as a funding source in FY2022 except for those projects explicitly identified by the Provost. Future availability of debt remains uncertain, so debt should not be entered as a funding source for any future year. In cases where a project may need to rely on debt for some or all of the total project budget, the amount the unit wants to apply to debt should be entered under “Third Party Developer” as noted above.

Technical Resources:

- Questions regarding Longview CPT functionality including any technical problems, should be sent to cp-help@cornell.edu.
- Information about Longview CPT, including the user guide, upcoming training and workshop sessions, and links to FY2021 reports can be found at: http://dbp.cornell.edu/home/offices/capital-budget-integrated-planning/capital-planning/longview-for-capital-planning/.

Units should submit planned capital activity into Longview CPT no later than 5 pm, October 21, 2020. The capital budget planning team will review submissions and reach out to units as needed.

cc: R. Burgess
ML. Cummings
D. Desnoes