

**RECOMMENDATION TO THE BOARD OF TRUSTEES  
UNIVERSITY OF LOUISVILLE  
CONCERNING CAPITAL CONSTRUCTION PROJECTS**

**Finance Committee – January 14, 2016  
Board of Trustees – January 14, 2016**

**RECOMMENDATION:**

The President recommends that the following be approved:

The threshold for capital construction projects requiring Board of Trustees approval be increased from \$200,000 to \$600,000 for capital construction items related to:

- The reconstruction, acquisition, and structural maintenance of buildings;
- The installation of utility services, including roads and sewers;
- The acquisition or improvement of real property;
- The purchase and installation initially or during major renovation of equipment, facilities, and furnishing of a permanent nature for buildings

This authorization would also allow future increases automatically if the threshold for capital construction set by the Kentucky Revised Statutes increases.

**BACKGROUND:**

In 1982 the Board of Trustees authorized administrative regulations pertaining to capital construction as part of the implementation of HB 622, the Higher Education Financial Management Act of 1982. One provision required any capital construction item greater than \$100,000 to be authorized by the Board of Trustees. In 2006 this threshold was increased to \$200,000. This recommendation would increase the threshold to \$600,000 which is in line with the KRS 45.750 definition of a capital construction item which is currently \$600,000.

Committee Action:

Passed:   X  

Did not Pass:       

Other:           

Date:           

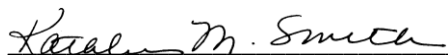
Board Action:

Passed:   X  

Did not Pass:       

Other:           

Date:           

  
Assistant Secretary