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| <b>SUBJECT:</b><br>Plant Operations & Maintenance (PO&M)<br>Funding for Leased Space | <b>Effective Date:</b><br>6/14/12  | <b>Procedure Number:</b><br>FS 2012 RM0015 |                |
|  | <b>Supersedes:</b>   | <b>Page</b><br>1                           | <b>Of</b><br>3 |
|  | <b>Responsible Authority:</b><br>Associate Vice President, Administration and<br>Finance (Facilities and Safety) |  |                |

**APPLICABILITY/ACCOUNTABILITY:**

This procedure applies to all employees within Administration and Finance (Facilities and Safety), Academic Affairs, and the UCF Foundation, Inc. (the Foundation), who are involved in the leasing and payment for leased space which receives Plant Operations & Maintenance (PO&M) funding.

**PROCEDURE STATEMENT:**

The University requests and receives PO&M funding from the State for buildings leased to the University by the Foundation. The Foundation will submit invoices to the Facilities & Safety Business Office (FSBO) for operation, maintenance, and utility expenses of the leased spaces. For leases where the Foundation does not bill Academic Affairs for utilities, Academic Affairs will submit the utility invoices to FSBO. FSBO will reimburse the Foundation for reasonable and approved expenses up to the funding level received from the State. FSBO will reimburse Academic Affairs for direct-billed utility costs, up to the funding level received from the State. Funding requests for leased space must follow the procedures outlined below.

**DEFINITIONS:**

PO&M funded leased space – Space currently leased by UCF from the UCF Foundation, Inc. for which Plant Operation & Maintenance (PO&M) funding has been appropriated by the State. Addendum A lists the leased facilities receiving PO&M funds.

PO&M funding – Monies received from the State for plant operation and maintenance of State facilities, which includes funding for utilities.

Approved PO&M expenses – Invoiced expense items that meet the State criteria for PO&M funding, including:

- Common area maintenance;
- Heating, ventilating and air conditioning maintenance;
- Landscape maintenance;

Operations and maintenance of a building and costs for repairs;  
Service contracts associated with operations and maintenance of the building; and  
Utilities, including electricity, gas, water, sewer and trash collection.

Note: Expenses not approved for reimbursement include: insurance, property management fees, Research Park fees, government taxes and impositions.

## **PROCEDURES:**

By June 1st every year, the F&S Resource Management Department will review the list of spaces leased by the University from the Foundation. Updated information will be solicited from Academic Affairs and will be used to assure appropriate distribution of PO&M funding. The information will include building name(s), total leased square footage by building, and the leased square footage by building by funding entity: Education and General (E&G), Contract and Grants (C&G), or Auxiliary. Funding requests for newly leased space or changes to current leased space follow this procedure:

Each July, the Capital Improvement Five Year Plan is submitted to the Board of Governors (BOG). As part of this packet, the Real Estate unit will submit requests for new or revised lease space PO&M funding based on the leased space list. The submittal, State University System (fiscal year) 20xx -20xy Fixed Capital Projects Requiring Legislative Authorization and General Revenue Funds to Operate and Maintain, details the new or revised lease space building square footage for which PO&M funding is requested.

The approval process for this submittal to the BOG is:

Associate Vice President, Administration and Finance (Facilities and Safety)

Vice President, Administration and Finance

Provost

UCF President

UCF Board of Trustees

Florida Board of Governors

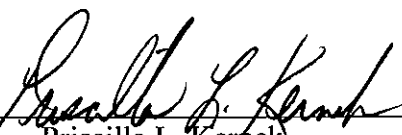
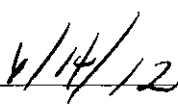
Each January, the Resource Management Department, with Associate Vice President approval, will submit the Request for Facilities Information To Support E&G Legislative Request for (fiscal year) 20xx – 20xy—Increase/Decrease In Educational and General (E&G) Space to the BOG.

After review by the Governor, UCF receives HB5001 in May or June. In November, the Real Estate unit will verify the space requests. The report, Verification of New Space Funding Request for (fiscal year) 20xx - 20xy, will be submitted to the Institutional Data Administrators at the BOG.

The FSBO will segregate the PO&M funds received from the State for leased space from the PO&M funds received for University-owned buildings.

The Foundation will submit monthly, detailed invoices (including proof of payment to their property manager for these expenditures) to the FSBO. The FSBO will review the expenditures and determine if they are reasonable and meet the State criteria for PO&M funding for operations, maintenance and utility expenditures. The FSBO will reimburse the Foundation for approved expenditures, up to the funding level received from the State, and will advise the Foundation when funding is no longer available for each building. The FSBO will also advise Academic Affairs of expenses billed by the Foundation that are determined to be unreasonable. The Foundation will bill Academic Affairs for any invoiced expenses that are not reimbursed, or that exceed the PO&M funding available. For leases where the Foundation does not bill Academic Affairs for utilities, Academic Affairs will submit the direct-billed utility invoices to FSBO. FSBO will reimburse Academic Affairs for direct-billed utility costs, up to the funding level received from the State.

Each July, the FSBO and the Foundation will review the annual expense reconciliation provided by the Foundation's Property Manager to determine if a refund is due to UCF. If a refund is due, the Foundation will issue a check to UCF, in care of the FSBO, within one month of the reconciliation.

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| Approved By:  | Date Approved:   |
| <br>Priscilla L. Kernek<br>Associate Vice President<br>Administration and Finance<br>Facilities and Safety |  |