

**MERF – Definition of Terms**

Major Expenditure – Any expenditure (capital, non-capital, major equipment or special project) greater than $250,000. This would include software implementations, but not faculty recruitment packages. Expenditures of $250,000 or less will be approved via the normal budget process and assumes the department or management centers have internal funds to pay for the project. Note: Major expenditures greater than $3 million must be approved by the Board of Trustees in advance.

Project Owner(s) - Individual(s) to be accountable for cost, expected benefits and time schedule.

Executive Sponsor(s) - VP, Dean or higher. The Executive Sponsor must sign-off on the form which confirms they support this expenditure and it is aligned with the strategic direction of the management center or university. The sign-off may be accomplished via a hard-copy signature or via e-mail sent by the sponsor.

Total Amount Requested: - must include a contingency between 5 – 15% for possible cost overruns or time delays.

Source of Funds- Can be from fundraising, debt financing, government/foundation grants, operating funds from abandoned programs, endowment funds and internal operating surpluses or reserves (e.g. major maintenance). If debt financing is a source of funds, the project owners must include how this debt and interest will be paid-off in the Use of Funds section.

Use of Funds- Split the use of funds into two categories:

1) Construction/Implementation phase, and

2) Post Construction/Implementation phase (i.e. ongoing/recurring annual costs) (For buildings, a $15 per gross square foot for maintenance and utilities should be used, plus other ongoing unfunded costs)

The use of funds includes, but is not limited to acquisition, sitework, surveys, architect & engineering, consultants (including travel & other expenses), Case labor & fringes (including necessary backfill), abatement/hazardous material removal, decommissioning, demolition, construction, safety inspections, ITS network electronics, maintenance agreements, license agreements, storage costs, travel for training, supplies, furniture/furnishings, equipment (including computer hardware & software), shutdowns, insurance, relocations, moving, principal and interest debt payments, ongoing additional staffing (include fringe benefits), contingency, etc. The use of funds should include any direct or indirect costs that would be incurred if we move forward with the project. The use of funds must include the creation of a detailed budget by year in Microsoft Excel.

Assumptions - Cost per year, savings/revenue per year, discount rate, market potential, demographics, trends, growth potential, competitors etc. Ongoing/recurring new costs need to be factored into these assumptions. The University Planning and Budget Office can help in creating these assumptions.

Intangible and Other Benefits - This should include any other measurements that could track the success of the program. Examples include additional publicity/exposure, improved customer service/satisfaction and/or improved community relations.