

# Memo

To: Budget Files  
From: Gene Whiteley-Ross  
Date: March 6, 2007  
Re: Capital Voting Process

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## **Background:**

OHSU's strategic planning process guides the creation of its capital budget and plan. This plan establishes a series of financial goals that are necessary for OHSU to achieve its growth goal. The needs identified as part of the OHSU's capital budget include a number of projects related to OHSU's clinical, education, and research programs. This includes expansion of existing facilities and acquisition, construction and equipping of additional facilities, all of which are intended to complement OHSU's varied missions.

All University departments requesting a capital budget allocation are required to submit these requests to Central Financial Services (CFS). These requests are gathered and presented to the Capital Allocation Committee (CAC). The CAC will review both capital construction projects as well as capital equipment purchases. These requests are reviewed and ranked by the CAC in the priority in which they will be funded

The CAC receives documentation with details specific to the capital request which will help identify, assess and plan for the needs of the University. This prioritization process supports the goals of the Five-Year Financial Plan.

## **Voting Process:**

CFS correlates all University Capital requests with supporting documentation and presents this to the CAC; each request is placed in one of three levels of monetary support. The three categories for review are: (1) Requests over \$200k. (2) Requests between \$50k and \$200k. (3) Requests under \$50k. Each level is reviewed separately and all projects are evaluated for funding.

### *Requests \$200k and Over:*

Requests over \$200k will be presented in front of the CAC, in addition to submitting the required support as stated within the capital budgeting guidelines. This session is to allow the CAC an opportunity to further investigate those requests to assist with their ranking of requests.

Once the presentations are complete, the CAC will individually rate the requests based on a set of criteria. Scores of each request will be accumulated and used as the basis to approve the request. The criteria set are based on the items identified by the CAC. A scoring system was developed based on the following categories:

- Request was previously committed and begun
- Meets regulatory requirement
- Achieves strategic priority

- Improves customer service levels and/or operating performance
- Required for approved new program implementation
- Enhances safety and compliance measures
- Improves maintenance of facilities and/or technology
- Cost recoverable through SC fees and grant support
- Increases net revenue
- Achieves operating budget savings
- Reduces required staffing level

Note: There may be cases where the CAC and/or departments may have other factors that may need to be considered.

Once voting is complete, the score will be totaled and each request will be ranked in order based on voting results. Then the CAC will meet to review results and make any final changes, if deemed necessary.

*Requests between \$50k and \$200k:*

The CAC uses the same factors noted above when reviewing these projects, however no presentation occurs. Once each CAC member has completed their voting, these results are merged with those requests which were voted on in the highest level of monetary support producing one comprehensive capital list.

*Requests below \$50k:*

Those requests that fall within this threshold are compiled by CFS and delivered to the respective CAC member who is responsible for that area. Each member is given a specified amount of funds which they will use to fund those requests they decide to approve.

**Conclusion:**

Once the assessments, voting and ranks are complete, a final list of approved requests and funds allocated is published. A communication is created and delivered to the appropriate school, department, or unit that submitted a capital request notifying them of the results.