

 <p><b>Category:</b> Financial</p> <p><b>Policy applicable for:</b> Faculty/Staff</p>	<p><i>Policy Title:</i> <b>Financing for Construction Projects</b></p> <p><b>Effective Date:</b> 01/01/2009</p> <p><b>Prior Effective Date:</b> mm/dd/yyyy</p> <p><b>Enabling Act(s):</b> Board Rule 10-1-06 ORC 3345.07, 3345.11</p>	<p><i>Policy Number:</i> <b>2.3.3</b></p> <p><b>Policy Owner:</b> Sr. VP for Administration and Finance</p> <p><b>Responsible Office(s):</b> VP for Finance Controller Planning + Design + Construction</p>
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## Background

The University of Cincinnati recognizes the need for improvement of its physical plant to address institutional needs and academic priorities. This policy addresses the financing of capital projects.

## Policy

Project financing for capital projects at the University of Cincinnati will conform to the following requirements:

- The cash for design fees shall be in place before the A/E selection is started.
- Fundraising shall be completed within a specified period of time of the approval of the program and will be noted in the program.
- Fifty percent of the cash for total estimated project cost shall be in place prior to executing construction contracts for this project and the remaining 50 percent of project cost must be gift pledged. (A bequest does not qualify as a pledge.)
- When the project is completed any shortage of pledges will be funded by the client department until all pledges are collected. The interest cost for the debt gift bridging is the responsibility of the client department. The complete repayment must be within five (5) years of beneficial occupancy of the project.

## Procedure

Planning + Design + Construction (PDC) provides program documents for internal university review for each project. The probable cost of the project and the duration of time the program will be valid will be set by PDC in consultation with the Vice President for Finance.

*Organizational units may institute policies more, but not less, restrictive than this policy (2.3.3) if desired.*

## Related links:

[Board Rule 10-1-06  
Planning + Design + Construction](#)

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