### BACKGROUND

Funding for state capital projects is appropriated from the Building Trust Fund (BTF) and the Capital Improvement Fund (CIF) as authorized in chapter 20 of the state statutes under 20.866 and 20.867. All appropriations under 20.866 (Public Debt) are continuing as are all but two under 20.867 (Building Commission). For the appropriations under 20.866, the state budget increases the life-to-date debt contracting authority specified in each paragraph or “program purpose.” The legislature can enact new appropriations and repurpose existing appropriations. Funding for state capital projects is provided through bonding in the CIF, direct BTF funding and agency participation.

Typically, the legislature enumerates 20.866(2) appropriations in greater detail for specific purposes or designations. When the related enumerations are known, “sub appropriations” are used within the parent appropriation in order to segregate authority from the rest of the appropriation. If the enumeration relates to a single agency, the sub appropriation will be under the business unit associated with the enumeration, such as the University or DNR.

When enumerations are not agency specific, the sub appropriation will initially be under BU 86600. When an individual project for a specific state agency is created to be funded under such a sub appropriation, an agency sub appropriation is created under the BU 86600 sub appropriation. For example, the flow of spending authority for a DNR project under 20.866(2)(z) and enumerated in sub appropriation Z0800 would start in 86600-Z0000, move to 86600-Z0800 and finally end up in 37000-Z0800 at the time the DNR project is approved and created.

### POLICIES

1. Projects funded out of statutory funds 36000 (BTF) and 36300 (CIF) will be administered under project costing business unit 86700 by the capital accounting section in the State Controller’s Office.
2. Appropriations under 20.866(2) shall have their chapter 20 amounts in the text (life-to-date debt contracting authority) recorded in STAR under business unit (BU) 86600 in fund 36300, also life-to-date.
3. Sub-appropriations shall be created when specific purposes are enumerated within the parent appropriations under 20.866(2).
4. Continuous appropriations under 20.867 shall be recorded in STAR under BU 86700 in fund 36000.
5. Continuous agency fund appropriations under 20.867(2)(u) shall be recorded in STAR in fund 36000 under the BU of the agency contributing funds to the capital project.
6. A statewide combination edit in STAR requires all accounting entries in funds 36000 and 36300 to reference a project number.
7. The annual encumbrance roll will take place each July 31 along with the statewide spending authority roll. In years past, the encumbrance roll occurred each June 30.
Additional procedures pending.