

To: South Dakota Board of Technical Education
From: Nick Wendell, Executive Director
RE: Proposed Rule Related to Capital Asset Purchases
Date: 3/27/18

Section 15 of SB 65 (establishing the Board of Technical Education) references the term “major renovations.”

At the December 14, 2017 meeting of the Board of Technical Education, we discussed the need to define what constitutes a “major renovation” and to establish a minimum threshold that would require an institution to obtain state-level approval to make large purchases. At the close of our discussion, a subcommittee was formed to explore the topic and provide a recommendation. Board members Scott Knuppe and Terry Sabers agreed to serve.

They recommend the following language regarding requests and approvals for capital expenditures be adopted into administrative rule.

1. *Purchases of capital assets with a per unit cost of between \$250,000 and \$500,000 must be approved by the Executive Director of the Board of Technical Education prior to a purchase order being issued.*
2. *Purchases of capital assets with a per unit cost exceeding \$500,000 must be approved by the Board of Technical Education prior to a purchase order being issued.*
3. *All capital asset requests must be submitted to the Board of Technical Education Executive Director for approval on a standard Capital Asset Request form.*

A capital asset request form has been drafted and is attached for consideration.

SOUTH DAKOTA BOARD OF TECHNICAL EDUCATION CAPITAL ASSET PURCHASE REQUEST

Please check approval action needed:

Board Authorization Required: _____

Executive Director Approval Required: _____

Is this an Externally Funded Purchase?

Yes / No?

If Yes, % External?

Institution: _____

Department: _____

Fund Source: _____
(SPECIFIC REVENUE SOURCE MUST BE IDENTIFIED)

Estimated Cost: _____

Item Description: _____

Purpose: _____

Actions taken to avoid, reduce, or minimize the amount of Capital Expenditure:

Institutional Authorization: _____ **Date:** _____

Date Approved Board of Technical Education: _____

Executive Director Approval: _____ **Date:** _____

NOTE: All supporting information must be attached with this request.

Policy X.X: Capital asset purchases of \$250,000 to \$500,000 require Executive Director approval. Capital asset purchases exceeding \$500,000 requires Board of Technical Education approval.