

Capital Allocation Work Group

(CAWG)

The Capital Allocation Work Group is a diverse group of department heads and managers, representing all facets of the City of Manitowoc, responsible for monitoring and/or allocating disbursement of capital expenditures.

General Procedures:

Capital is an individual item or a system (a group of items that function as a whole) or items valued at \$5,000.00 and above with a useful life greater than two years.

1. Complete a Capital Project Request Form by May 31 to be eligible for the next calendar year's budget. Capital Request forms will be available in the Finance Department.
2. Do not purchase any capital items without first obtaining funding approval from the CAWG, Finance Committee and Council.
 - a. Any Capital Item exceeding approved amounts will require additional approvals of CAWG and Finance Committee prior to purchasing the Item.
3. The CAWG will rank all requests based upon a rational set of criteria to establish priorities to assist with allocating capital funding should requests exceed available funding.
 - a. The ranking will take into consideration the following:
 1. Does the project requested contribute to the achievement of existing city projects, goals and policies?
 2. Is the project a response to a mandate?
 3. What is the return on investment or the cost of not completing the project?
 4. Are there revenues associated with the project?
 5. Is the project acceptable to the public?
 6. What are the annual support costs to maintain the asset once placed in service?
4. The CAWG will place projects into one of three categories, funded, unfunded and end of life asset.
5. The CAWG will monitor projects to completion for the purposes of maximizing funding to as many projects as possible. To this end the CAWG will require quarterly reports of budget to actual for all approved projects. The purpose will be to reallocate funding to additional projects or the end of life fund when a surplus exists and to cover shortages should a deficit exist within a project. Departments overseeing a project will be required to provide updates at least quarterly or as requested by the CAWG to monitor all aspects of the project including completion date.
6. Every effort should be taken to complete projects within the calendar year it is funded. When it becomes necessary to carry-over funding from one year to the next you will need to inform the CAWG by no later than December 31.

End of Life Fund Procedures (ELF):

End of Life items consist of equipment that has been designated as such and noted in the CAWG Report. Items are to be identified during the ranking process as eligible for end of life consideration. The process to access the ELF is as follows:

1. Present a completed Capital Project Request Form, with at least one valid quote from a vendor and/or a departmental estimate.
2. Include a copy of your department's budget to actual report for the latest month.
3. If a department is under budget a funding plan should be presented detailing what funding can be utilized from existing department funds.
4. The CAWG will evaluate each request to coincide with available funding and advise the department of the workgroup's decision.

Unbudgeted Capital Procedure:

In the event there is a need for an unbudgeted capital request the following procedure shall be followed:

1. Check with the Mayor and/or Finance Director for possible funding sources.
2. Have requested Asset approved by the appropriate oversight committee.
2. If there is no other possible funding source identified in #1 or additional funding is needed, request CAWG for unbudgeted funding by completing a Capital Project Request Form.

All approved requests by the CAWG shall be forwarded to the Finance Committee for final approval prior to purchasing the requested items.

Reporting to Finance Committee:

Quarterly reporting of all approved and disapproved requests to the Finance Committee will include the following:

1. Summary of Project(s) and status.
2. End of Life Fund Summary.
3. Financial Summary of Capital Funds.

Quarterly reports will occur in the following months:

May, August, November and February

Annual Timeline for Capital Allocation Working Group

March- April	CAWG reviews status of prior year projects and prepares an updated inventory of current facilities and equipment.
May 31	Deadline for departmental requests for inclusion in subsequent year's Capital Funding Plan
June	CAWG reviews and ranks requests
July	CAWG prepares report to be presented to Mayor for inclusion in annual budget
August 1	CAWG presents Capital Allocation Report to Mayor