Capital Expenses Workshop
January 24, 2019

Funding Capital Expenses

• Three broad categories:
  ◦ Great Ideas Initiative ✓
  ◦ Currently funded programs
  ◦ Community projects/collaborations – Match funding/co-funding opportunity
Funding Capital Expenses

• We receive requests throughout the year.
• Examples include:
  ◦ Furniture – funded programs
  ◦ IT infrastructure – funded programs
  ◦ Air conditioners
  ◦ Playgrounds
  ◦ Refrigeration units
  ◦ Repairs after hurricane

Currently Funded Programs
Capital Expenses: Definition

• Costs in excess of $500 (generally furniture and equipment)
• Does not include infrastructure or the purchase of real property and/or renovations
• Capital equipment requests are only permitted for:
  ◦ Start-up/installation programs;
  ◦ As a result of an expansion of the program; or
  ◦ Through the Computer Replacement Initiative
• CSC supports the use of its funds for new vehicle purchases only

Capital Expenses: Funded Programs

• Capital expenses may take the form of:
  ◦ Emergency repairs
  ◦ Vehicles
  ◦ Safety enhancements (e.g., physical hardening, surveillance cameras, lighting, etc.)
  ◦ Continuous Improvement Initiative (IT infrastructure) and Computer Replacement Initiative
  ◦ Furniture (e.g., BRIDGES furniture/computer desks)
Capital Expenses: Funded Programs

Some issues to consider:

• Current Precedent
  ◦ Furniture and computer infrastructure
  ◦ Purchased vehicles in the past (2004-05) for select categories of programs
  ◦ Hurricane damage, using an application process

Some issues to consider (continued):

  ◦ Fit within our mission/vision
  ◦ Commitment to cover full program costs:
    ▪ Ensuring environments are welcoming to our families (e.g., furniture, painting, etc.)
    ▪ IT infrastructure
    ▪ Vehicles
  ◦ Exceptions
    ▪ Safety enhancements (e.g., physical hardening, surveillance cameras, lighting, etc.)
    ▪ Emergency repairs (e.g., air conditioners)
    ▪ Infrastructure or the purchase of real property and/or renovations
Capital Expenses: Funded Programs

• Concerns
  ◦ Vehicles – ability to sustain the ongoing costs (e.g., fuel, insurance, maintenance); new purchase vs replacement; liability; how tied to programming is the need?
  ◦ Potential to “open the flood gate”
  ◦ Public perception

• Concerns (continued)
  ◦ No other funders provide dollars for capital
    ▪ Exception: Lost Tree Foundation
    ▪ Other foundations - specified by donor
  ◦ Capital Improvements: owned versus rented space/facilities
  ◦ Reliance on CSC vs fund raising responsibility
  ◦ Do we have the expertise to oversee?
  ◦ Escalating costs - economy
Questions & Discussion

Community Projects & Collaborations
• Capital expenses may take the form of:
  ◦ Playground facilities
    ▪ Building a playground, safety issues, seating, shaded areas/covering, water fountains, access to bathrooms
  ◦ Refrigeration units for food pantries - storage of fresh fruit/veggies
  ◦ Refrigeration units for child care providers
    ▪ USDA program (participating)

Some issues to consider:
  Fit within our mission/vision
  Playgrounds:
  ◦ Opportunity
    ▪ Community identified as a need
    ▪ Significant safety issues for our children
    ▪ Match funding opportunity with partners
  ◦ Concerns
    ▪ Whose responsibility are they?
    ▪ Ensuring accountability
    ▪ Maintenance
    ▪ Liability
Some issues to consider (continuation):

**Refrigeration:**
- Opportunity
  - Community identified as a need
  - Match funding opportunity with partners
  - Hunger and food insecurity are significant issues for PBC
- Concerns
  - Maintenance and utility cost
  - What happens if a child care center goes out of business?
  - For-profit vs non-profit status

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Questions & Discussion
Council Workshop
Supplemental Information
Capital Expenses
**Capital Expenses (Excerpts from our Fiscal Guidelines and General Conditions)**

**Fiscal Guidelines**

Capital equipment includes items which have a useful life of one year or more and costs in excess of $500 (generally furniture and equipment), and does not include infrastructure or the purchase of real property and/or renovations (permanent improvements to the property or site preparations). Funds budgeted for such one-time purchases (e.g. equipment) in a given budget period are not included in the CSC forecast of an annual budget for consideration in subsequent budget periods.

Capital equipment requests are only permitted for 1) start-up/installation programs; 2) as a result of an expansion of the program; or 3) through the Computer Replacement Initiative (for positions that are funded at least 50% with CSC funds). Requests for IT equipment and peripherals may also be submitted through the Continuous Improvement Initiative. The application is available on the CSC website at [www.cscpbc.org](http://www.cscpbc.org).

CSC supports the use of its funds for new vehicle purchases only (CSC may at its discretion fund the purchase of new vehicles for the execution of its program activities). All vehicles purchased with CSC funds should be in the Provider name with Children’s Services Council listed as the 1st lien holder. Children’s Services Council will retain a copy of the title for 48 months. The CSC logo must be displayed on the outside of the vehicle. (See *Disposal of Vehicles* on page 26.)

Capital equipment purchased in a program no longer being funded by CSC must be returned if requested.

**General Conditions**

**Restrictions on Capital – Contract provisions for Funded Programs**

Capital items acquired by the Provider, the costs of which are or were reimbursed by the Council (including computers, which are also subject to installation and security requirements) shall be subject to the following requirements: said item: i. may not be mortgaged, pledged, or hypothecated without the prior written approval of the Council; ii. shall be maintained in operable condition; and iii. will be insured against fire, loss or theft.