

Instructions for Maintenance Reserve Report



Department of Planning and Budget

July 2024

Maintenance Reserve Annual Report

DATE DUE: July 26, 2024

About the Maintenance Reserve Annual Report

The maintenance reserve (MR) implementation process requires agencies to report annually on MR projects for which expenditures were made in the previous fiscal year, pursuant to § 4-4.01 c. of Chapter 2, 2024 Acts of Assembly, Special Session I.

Agencies must submit their annual MR reports in DPB's Performance Budgeting (PB) System. These reports will provide information that will enable DPB and agencies to track expenditures on MR as a whole and on individual projects over time.

Agencies are also required to submit a statement certifying that all MR expenditures were made on projects that met the MR criteria and in compliance with other MR rules along with their PB report submissions. The statement must be signed by the agency head or deputy to whom the director of capital or the architectural/engineering department, or the equivalent thereof, reports.

The deadline for the submission of the completed expenditure report and certification is **July 26, 2024**. The certification statement is posted on DPB's website and a signed copy should be attached to the MR report work item in the PB System.

In addition to this exercise, there will be another exercise this fall to better understand how well agencies are able to fully utilize their maintenance reserve funding. Specifics on this exercise will be forthcoming.

Maintenance Reserve Project Criteria

A maintenance reserve project is a major repair or replacement to plant, property, or equipment that is intended to extend its useful life.

Fiscal year 2024 expenditures for MR projects were limited to projects that met one or more of the following criteria, pursuant to Item C-72 of Chapter 1, 2023 Acts of Assembly, Special Session I:

- Repair or replacement of functionally obsolete, damaged, or inoperable built-in equipment such as elevators, furnaces, plumbing fixtures, air conditioning, and ventilation;
- Repair or replacement of components of a plant, such as exterior wood, masonry, ceilings, floors, floor coverings, doors, windows, roofs, sidewalks, parking lots, fencing, and exterior lighting;

- Repair or replacement of existing utility systems, such as steam lines, natural gas, air, electrical, water, and sewer;
- Correction of problems resulting from erosion and drainage;
- Work related to handicapped access, energy conservation, building and safety code compliance, safety and security, lead paint abatement, or asbestos correction; and/or
- Activities specifically authorized in the Appropriation Act.

Maintenance reserve appropriations were limited in FY 2024 to projects estimated to cost more than \$25,000, and no more than \$2.0 million for non-roof replacement projects and no more than \$4.0 million for roof replacement projects. The Department of Planning and Budget (DPB) is authorized to grant exceptions to these dollar limits. Agencies should have a decision brief/document approved by DPB if such an exception was authorized.

Prohibitions:

Projects meeting one or more of the following criteria do not qualify as maintenance reserve:

- Expanding an agency's or building's capability or function through the installation of equipment where none currently exists;
- Maintenance contracts to clean, maintain, repair, or protect existing plant, property, or equipment;
- Routine periodic maintenance, such as servicing, adjusting, minor repairs, painting, scraping, cleaning, and spraying of plant or property;
- Repair or replacement of office, motorized, medical, laboratory, electronic, photographic, educational, cultural, computerized, and other specific-use, moveable equipment that is not permanently installed as a part of the plant or property;
- Leak testing and monitoring of underground storage tanks and the removal of underground storage tanks not associated with tank replacement;
- Replacement or upgrading of software, unless the software is an integral component of the system that also is being replaced;
- Demolition;
- General renovations for aesthetic purposes, which includes moving walls, doors, etc.; and
- Development of a master plan, system/facility assessment associated with identifying maintenance reserve projects, or anything else where only planning is being conducted.

The use of MR funding for a qualified project to support or supplement a construction, renovation, or repair capital project, is prohibited without DPB approval. In addition, the

use of state-supported maintenance reserve funding for an auxiliary enterprise project is prohibited unless otherwise indicated by Appropriation Act language.

MR Annual Report Module Instructions – Performance Budgeting System

Any project for which any MR expenditure was made in FY 2024, including nongeneral fund expenditures, should be included in the PB submission. Therefore, total reported expenditures should equal the total expenditures in the Cardinal Financial System for the capital project code representing the agency’s maintenance reserve.

Getting to the Module

1. In the PB work tray, mouse over the “Capital Budget” tab in the top line.
2. From the drop down list, choose “MR Annual Report”.
3. Enter or select your agency code and hit “enter”.
4. For “Reporting Year”, select FY2024 (should be the default).

Completing the Report

Existing projects

The system will auto-populate a list of MR projects for which the agency reported expenditures in previous MR Annual Report submissions which had not previously been marked as completed in the PB system. For each of these projects, use the following guidelines for data entry:

1. Total cost—This is the agency’s estimate of the total cost of the project. If your estimate has changed, make the appropriate change in this field. If a project is completed (see below), this amount should be updated to match the life-to-date columns.
2. FY 2024 expenditures—Enter the total FY 2024 expenditures in the appropriate column: FY 2024 GF (general fund, fund 01000), FY 2024 tax supported debt (VPBA, VCBA, or general obligation bonds, funds 08200, 08170, 08171, 08111, or 08110), or FY 2024 NGF (any other funds). If there were no expenditures, enter “0”.
3. Life-to-date columns (auto-calculated)—Make no entry or change in these columns; PB will recalculate these amounts, taking into account the FY 2024

amounts entered. (The updated amount will appear after the “submit” function has been used.)

What if the life-to-date expenditure amounts are inaccurate?

Occasionally, in compiling data for this report, agencies discover that they did not accurately report prior years’ expenditures. For example, you may discover that the total FY 2023 expenditures that you reported for a project last year did not include all actual expenditures. In such cases, include unreported prior-year expenditures in the FY 2024 expenditure total. This will allow the auto-calculated total life-to-date expenditure numbers to be accurate, although the FY 2024 expenditure will be overstated. In the “comment” field for the project, explain the circumstances and the breakdown between actual FY 2024 expenditures and any prior-year adjustments necessary.

4. Complete?—If the project was completed in FY 2024 or no expenditures will be made in the future, click the check box in this column.

Note: If the project was completed, the total of the life-to-date columns and the amount in the Total Cost field should be the same. Also, be certain of the project’s status before marking it “complete”. If a project is marked as complete, it will not show up on the initial listing for next year’s annual report. If the project is not actually complete and expenditures are made in the subsequent year, additional administrative steps must be taken to record those expenditures on the subsequent MR annual report.


5. Comment—Use to communicate any additional information regarding the project and its expenditures. Be sure to include an explanation of the circumstances and breakdown between actual FY 2024 expenditures and prior-year expenditures for any corrections needed to true-up life-to-date expenditures due to inaccuracies in prior-year reported expenditures. Also identify projects for which DPB granted an exception to minimum or maximum MR expenditure limits and any other type of authorized exceptions related to the project in this field.

Existing projects not shown in PB list

In instances where expenditures were made for a project in prior years but the existing project is not showing up in the MR Annual Report module in PB, contact your DPB analyst. This is most likely to occur if an existing project was marked as complete in a previous MR annual report and therefore is not showing in the prepopulated list. Your DPB analyst will need the project name and assigned eight-digit subproject code used in prior MR annual reports and can reactivate this project code in order to allow FY 2024 expenditures to be reported.

New projects

If your agency made expenditures on a new MR project for which expenditures had not been made prior to FY 2024, click on “Add” at the bottom of the MR Annual Report grid. A blank row should appear at the bottom of the existing entries. In that row, enter the following information for each project:

1. Project title (read-only)—Leave this field blank. PB will automatically create this from the project name and project code generated for this field.
2. Project Title Name—Put in the title of the project, starting with a verb and succinctly describing the purpose of the project. This is the title that PB will use to create the combination code/title that will go in the first field.
3. Facility—This is the same field that is used for capital budget requests and CO forms and is used to identify the specific agency operating unit or campus for which the project is intended. Click on the  icon and select the appropriate facility.
4. Infrastructure element—This field is identical to the one used by the Division of Engineering and Buildings (DEB), formerly known as BCOM, in capital outlay forms and is used to help categorize the type of project for which expenditures have been made. Select the appropriate element from the drop-down list.
5. Total cost—Enter the agency estimate of the total cost of the project.
6. FY 2024 expenditures—Enter the total FY 2024 expenditures in the appropriate column: FY 2024 GF, FY 2024 tax supported debt, or FY 2024 NGF.
7. Life-to-date columns (auto-calculated)—Make no entry or change in these columns; PB will calculate these amounts, taking into account the FY 2024 amounts entered. (The updated amount will appear after the “submit” function has been used.)
8. Complete?—If the project was completed in FY 2024, click the check box in this column. Note: If the project was completed, the total of the life-to-date columns and the amount in the Total Cost field should be the same.
9. Comment—Use to communicate any additional information regarding the project and its expenditures, including the identification of projects for which an exception to minimum or maximum MR expenditure limits or any other type of exception that was granted by DPB.

Supporting Documentation Files

A signed copy of the certification statement posted on DPB’s website must be attached in the Supporting Documentation section at the bottom of the screen. This statement certifies that all MR expenditures were made on projects that met the MR criteria and were consistent with the guidelines in the 2024 Capital Budget Request Instructions and

provisions of the 2023 Appropriation Act. It must be signed by the agency head or deputy to whom the director of capital or the architectural/engineering department, or the equivalent thereof, reports.

Other supporting documents may also be attached in this section, such as decision briefs to authorize exceptions to the minimum or maximum MR expenditure limits or other exceptions granted by DPB.

Finalizing MR Annual Report Submissions and Saving Work

When all entries have been made and the agency staff is satisfied with their completeness and accuracy, under “Submit”, select “Submit for DPB Review”. If further entries need to be made, select “Continue Working”.

If you have any questions, please contact your DPB analyst.