

## CAPITAL EQUIPMENT BUDGET

### Frequently Asked Questions

#### Q1. What is CAPEX?

- A. CAPEX is the acronym to represent “Capital Expenditures”. This includes Capital Equipment Projects and Capital Improvement Projects. For the purpose of this FAQ, CAPEX will only refer to Capital Equipment Projects.

#### Q2. What is a CAPEX project?

- A. A CAPEX project is defined as an asset, usually not attached to a building or grounds, with a cost of \$5,000 or more; a useful life of at least five years; and that the County will purchase and own. Leases, subscriptions, and other transactions that do not result in the County owning the asset in perpetuity are not eligible to capitalize into a fixed asset.

#### Q3. Do my current year unspent dollars for ongoing projects automatically rollover into next year?

- A. No, the department must re-appropriate whatever dollars they estimate will not be spent in the current year and are required to fund any open encumbrances by November 30<sup>th</sup> of each year. If the department also needs additional funds in the coming year, they must request the additional appropriation in addition to the carry-over amount from the current year.

**For example:** If your department currently forecasts that it will only spend \$10,000 of its \$50,000 capital project budget and will need the remaining \$40,000 to continue or complete the project next year, it must enter the \$40,000 as carryover funding in Hyperion. Similarly, if you anticipate that the additional \$40,000 is not enough to complete the project next year, and that you will require an additional \$20,000 to continue or complete the project next year, you must request that additional amount as new debt in Hyperion for your capital project.

#### Q4. Does it mean all future years will be considered for recommendation when I enter the 5-year outlays for all my CAPEX requests in Hyperion?

- A. No, the 5-year outlays will help the County effectively plan for future funding requirements.

#### Q5. How do I submit an equipment request if the amount totals under \$5,000?

Departments will need to complete and submit the "IT Equipment Request Form (Less than \$5,000)" and submit directly to the Bureau of Technology at the address noted on the form.

**Q6. What should be considered when requesting a computer device in CAPEX Hyperion?**

- A. A computer device is considered a desktop, laptop and servers. The components for a computer device consists of a monitor, mouse, keyboard, USB, dock station and cables, etc. The IT peripherals are considered shipping, installation and configuration. The components and IT peripherals must be requested with the computer device. After the computer device project is approved by the Board, the components and IT peripherals must be purchased on the same purchase order and from the same vendor as the computer device. **Components and IT peripherals purchased on a separate purchase order from the computer device will not be eligible to capitalize.** These items will require operating dollars to pay for them.

**Q7. Why does a department have to complete and attach a Vehicle Request Form if they want to enter a vehicle request in Hyperion?**

- A. There is detailed data collected on the Vehicle Request Form for review and recommendation purposes by the Vehicle Steering Committee and the Budget Office.

**Q8. How do I enter a CAPEX request if I plan to use dollars from a Special Purpose Fund (SPF)?**

- A. The department needs to enter the request under the parent department and must assign a SPF fund number to the request.

**Q9. Do I need to fill in all project detail fields for a new CAPEX request?**

- A. Yes, even though Hyperion does not require these fields to be completed, it is a business process requirement for your requests to be considered.

**Q10. Is there help available after Go-Live and how do I find it?**

- A. You can contact your budget analyst for help. In addition, you can use the STEP portal to access FAQs and training materials. You can also use the Knowledge Center to review training materials.

**Q11. Why does a department need to rank the order of their CAPEX requests?**

- A. Ranking your requests allows all review parties to prioritize all CAPEX requests for recommendation. Each request must have a unique rank number assigned.

**Q12. Can a department edit the project details for ongoing projects?**

- A. No, the project details for ongoing projects are pre-loaded data.

**Q13. How many times am I allowed to re-appropriate/re-request funds for the same capital equipment project?**

- A. All Capital Equipment projects can be re-appropriated only once, except for Major Capital Equipment Projects (like a case management system) and furniture projects related to CIP.

**Q14. What is the encumbrance rollover criteria for debt-funded CAPEX projects?**

- A. A one-time encumbrance is allowed for all tangible projects (IT/Hardware/ Fixed Plant /Institutional/ Vehicles/ Furniture/ Medical Equipment), except for Major Capital Equipment Projects (like a case management system) and furniture projects related to CIP.
- B. Major Capital Equipment Projects (like a case management system) and furniture projects related to CIP are allowed to be rolled over as long as the project is active.

**Q15: What if my capital equipment needs are related to and rely on the approval and timing of a CIP request?**

- A. Because the Budget Office is making determinations only about the capital equipment budget for the coming year, it is important that departments coordinate with the Department of Capital Planning and Policy to determine the timing of your CIP project and if the funding for your CEP needs (furniture, A/V equipment, etc.) will be requested on your behalf by DCPD or if you will need to enter the budget request. If, based on the timing of your CIP project, it is unlikely that your CEP request will begin in FY2023, please enter your CEP request only in the online Business Case form and not into Hyperion.