Facilities maintenance projects, as defined in Section 20-2001-A (19) of Act 188, as amended, for educational facilities are funded from annual appropriations and State System of Higher Education revenues, or restricted funding provided by Act 50 of 1993 (Appendix I, Vol. III). Facilities maintenance projects for auxiliary facilities are funded from the auxiliary operations budget or the auxiliary reserves established by each university. Most maintenance projects are funded from the university's annual operating budget and are, therefore, planned, programmed, and accomplished according to the internal procedures established by each university and its respective council of trustees. Accomplishment of the work by contract procurement must follow the statutory requirements of Section 20-2003-A.I., project contracts, and implementing rules, regulations, and policies, as described in Volume VIII of this manual and BOG Policy 1998-04, Procurement of Goods, Services, Supplies and Construction, which implements the provisions of Act 57 of 1998.

Maintenance projects for educational facilities that cannot be funded from annual appropriations and, therefore, must be deferred to future years may be funded from the monies provided pursuant to Act 50 of 1993. In accordance with policy 1994-01, deferred maintenance projects are determined by each university for expenditure of the funding allocated to the university from Act 50 of 1993. Act 50 of 1993 funds expended each year must be reported to the Office of the Chancellor by October 15 of the following fiscal year. Contract accomplishment of deferred maintenance projects must be in accordance with Section 20-2003-A.I., project contracts, and implementing rules, regulations, and policies as described in Volume VIII of this manual. Funds provided by Act 50 of 1993 may be used to finance debt on borrowed funds for maintenance projects, but the annual amount required to pay the debt service cannot exceed 50 percent of the annual amount received from Act 50 allocations in the year in which the debt is incurred.

System institutions are responsible, according to Board of Governors Policy 1990-03, for establishing user fees such that all the life cycle maintenance, repair, and renovation requirements are fully funded for auxiliary facilities.