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## MRR FUNDING STRATEGIES

To understand the concepts in this section, it is important to understand the basics of MRR funding and to develop MRR funding requests—concepts explained in Sections III and IV of these guidelines. The funding strategies covered in this section will help institutions do a better job working through the request development process. Because the information in these sections is truly interrelated, we have included cross-references that show direct relationships between developing the requests and funding strategies that might be used to enhance MRR requests.

Each institution has the responsibility for developing the initial list of recommended repair and renovation projects for its needs. Armed with the findings and recommendations of the Facilities Survey, each institution should establish its funding priorities and select the initial list of projects that need funding. The challenge is funding as many of the required repairs and renovations as is possible using the money available in the fiscal year's MRR allocation. This task is accomplished by developing a list of all projects, prioritizing the list based on urgency and eligibility of project on the list<sup>23</sup> and then generating the project list for the requests. This process, as outlined in *Section IV: Developing MRR Funding Requests* (page 21), will explain how to put together a workable funding request.

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<sup>23</sup> *There are MRR and BOR guidelines that are helpful in prioritizing a list of potential projects. These guideline are included in this document. The MRR specific guidelines are explained in Project Selection and Prioritization beginning on page 31. The BOR's general funding principles for capital allocations are summarized beginning on page 24.*

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## MRR FUNDING STRATEGIES (CONT.)

There are some simple funding strategies, however, that can help institutions use some of the other funding resources that are available through the State and the Board of Regents of the University System of Georgia (BOR). If some of the repair and renovations projects can be removed from the MRR funding request list and funded with other resources, the institution's MRR allocation is freed up to fund projects that fit the MRR parameters perfectly. These strategies can help institutions selectively use MRR funds.

The following chart describes potential funding strategies to consider.

Funding Strategy	Description
<b>Projects vs. Allocation</b>	<p>If the number of desired MRR qualifying projects far exceeds an institution's funding allocation, the most urgent projects can be submitted as MRR projects, with the remaining projects submitted as Minor Capital Project requests.</p> <p><input checked="" type="checkbox"/> <b>Note:</b> If a project is truly urgent, and if it fits MRR criteria, it is important to submit the project as a MRR project because MRR projects are funded in the year that they are submitted (if the project is approved). If a project is submitted as a Minor Capital Project, the request goes into a queue with all of the other institutions in the USG. Projects are pulled from this queue based on need. Less urgent projects may not be funded for several years.</p>

Funding Strategy	Description
<p><b>Group Similar Projects</b></p>	<p>Consider grouping similar projects, especially small projects, into a larger, more comprehensive project. This strategy will provide the opportunity to make the project a more viable candidate for approval. The project will have economy of scale for better contractor pricing, consistency in quality and replacement parts (depending on the item), and fewer consultants and contractors involved. If similar projects can be combined into one larger project that is expected to cost between \$1 and \$5 million, consider submitting this consolidated group of projects as a Minor Capital Project. If the consolidated project totals \$5 million or more, consider requesting funds from the Major Capital Project fund.</p> <p><b>☑ Note:</b> Keep in mind that Major and Minor Capital funds may not be awarded in the year requested. For this reason to combine projects, and if under \$1 million, use MRR funds anyway.</p> <p><b>📦 Example:</b> The replacement and/or installation of a fire alarm system may be required in several buildings around the campus. This work could be designed and constructed as one project, thereby utilizing one electrical consultant, one contractor and one fire alarm manufacturer.</p>
<p><b>Residual Funds Redistribution</b></p>	<p>Residual MRR funds are project funds that remain unspent at the conclusion of the project closeout and after all fees and construction related cost are finalized. Redistribution of residual MRR funds from either individual MRR projects or collectively from several MRR projects is acceptable. These residual funds can be used to fund other MRR projects in the approved list for the same fiscal year.</p> <p><b>☑ Note:</b> All MRR funds must be committed by June 30<sup>th</sup> of the fiscal year in which they are approved or the institution will lose the funds. This is why the BOR encourages institutions to submit more MRR projects than its expected MRR allocation will cover. In early summer, the BOR invites institutions to submit additional MRR requests to be funded by the BOR's unused contingency and emergency funds.</p> <p><b>☑ Note:</b> Since all funds must be committed by June 30<sup>th</sup>, institutions must be prepared to act quickly to use their residual MRR funds or the BOR's unused contingency and emergency funds.</p>

Funding Strategy	Description
<b>Phasing of Design &amp; Construction Services</b>	<p>Depending on the magnitude of the project, the development of the construction documents for bidding purposes may take several months or more. For this reason it might be desirable to request funds for large projects as a two-year process. In the first year the institution would request funds and schedule design services. In the second year it would request funds and then schedule construction services. By doing this, a more accurate construction cost estimate can be developed from actually bidding the design documents to interested contractors. This also allows the project to be done over a two year period, while freeing up part of the MRR allocation each year to be spent on other projects.</p>