

<b>SUBJECT:</b> 179D Energy Savings Rebate	<b>Effective Date:</b> 3/27/12	<b>Procedure Number:</b> FS 2012 RM0010	
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	<b>Responsible Authority:</b> Associated Vice President of Administration and Finance (Facilities & Safety)		

**APPLICABILITY/ACCOUNTABILITY:**

This procedure applies to University of Central Florida Facilities Planning and Construction, Sustainability & Energy Management, Facilities & Safety Business Office, Consultant, and Designer/Construction Manager.

**DEFINITIONS:**

**Project:** a budgeted construction plan.

**Designer:** a person who creates the technical specifications for installation of energy efficient commercial building property (or partially qualifying commercial building property for which a deduction is allowed under Section 179D). A designer may be an architect, engineer, contractor, environmental consultant or energy services provider.

**Respondent:** a person who responds or replies to an agreement with UCF on discounted contract prices or who provides a cash rebate for energy savings.

**EP Act Coordinator:** a consultant who is qualified and experienced with energy efficient buildings under Section 179D.

**Allocation Request:** a sheet that shows the project name, the name of the designer, the building or affected component, the tax deduction calculation and the tax benefit value for the government entity and the designer.

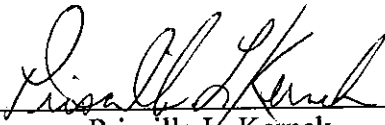
**Internal Revenue Code, Section 179D:** allows a deduction to a taxpayer for part or all of the cost of energy efficient commercial building property that the taxpayer places in service after December 31, 2005, and before January 1, 2014.

## **POLICY STATEMENT:**

University of Central Florida (UCF) reserves the right to designate any eligible entity as the "Designer" of the energy efficient improvements incorporated in the Project for the purposes of allocating accelerated depreciation benefits pursuant to Section 179D of the Internal Revenue Code of 1986, as amended (the "Code"). If UCF determines that Respondent shall receive the deduction as a "Designer" for the purposes of Section 179D of the Code or that Respondent shall otherwise benefit financially from the monetization of the accelerated depreciation benefit, Respondent shall agree to discount its contract price or provide a cash rebate to UCF (the determination of rebate versus discount to be determined by UCF in its sole discretion) in an amount no less than 50 % of the incremental financial benefit realized by Respondent as a result of the tax benefit or the monetization thereof, such actual percentage to be negotiated in good faith by UCF at the time the financial benefit to Respondent becomes ascertainable. UCF reserves the right to retain a third party consultant ("EP Act Coordinator") or other to manage and administer the process of obtaining and monetizing the deduction derived from the Project and to designate the Energy Efficiency Consultant as the "Designer" of the energy efficient improvements for the purposes of Section 179D of the Code; and Respondent agrees to cooperate in all reasonable respects with the Energy Efficiency Consultant's efforts to obtain and monetize any such benefits derived from the Project on behalf of UCF.

## **PROCEDURES:**

1. The RFP and/or Contract will identify possible Designer(s) and University's right to designate/negotiate for benefit (most likely to be evidenced in writing upon completion/certification).
2. After contract award, University and Designer(s) interact with the EP Act Coordinator or other to estimate the benefit to the Project and agree on general terms.
3. As the Project nears completion, terms are firmed up and certification is obtained by Designer(s) and provided to the University with an Allocation Request.
4. If necessary, terms of allocation are updated from certified deduction/cost amounts.
5. UCF allocates the benefit to the Designer.
6. The Designer provides the savings benefit to the University (i.e., check, deductive change-order, no-cost additional scope, etc.).
7. If the project is open, the check will be deposited in the Project to reduce the contractor's contract.
8. If the projects are closed, the funds will be placed in a designated account for purpose of receipt and spending for the appropriate building.

Approved By:	Date Approved:
 Priscilla L. Kernek Associate Vice President Administration and Finance Facilities and Safety	3/27/12