FINANCIAL SERVICES
DIVISION
Te Ratoka Pūtea

UNIVERSITY of OTAGO
Te Whare Wānanga o Otāgo
NEW ZEALAND

Flow Chart to Assist in Classifying a Project

Resource Requirements
Does the Project require significant financial resources?

For example:
cashflows exceed $1 million, or
Assets of more than $1 million, or
More than 2,500 hours of resources

→ Yes

↓ No

Risk and Opportunities
Is there significant uncertainty relating to either the costs or the revenues to be derived?

→ Yes

↓ No

Strategic Project
Is this project important in ensuring that the University meets it's Strategic Objectives?

→ Yes

↓ No

Replacement
Maintenance
Cost Reduction

Expansion
Existing Services
New Services

**Statutory/
Environmental**

Ongoining Justification
Minimal evaluation
required

**Legal/Environmental
Impact Report**

Significant Projects (CAWSEP application required)
Project information attributes:
Are income and expenditure flows identifiable, or
Are income substitutes available?

← No   Yes →

**Strategically Justifiable
Project**
Perform Cost/Benefit Analysis
Evaluate additional operating
Costs

**Commercially Justifiable
Project**
Calculate Net Present Value
(NPV) using discounted cashflows