The University of North Carolina Policies on Acquisition and Disposition of Real Property by Lease

Session Law 2007-322 authorized the Board of Governors of the University of North Carolina to authorize the constituent institutions and the General Administration to acquire real property by lease if the lease is for a term of not more than 10 years.

During its last session and at the request of the Board of Governors, the General Assembly in Session Law 2012-142 amended North Carolina General Statute Section 116-31.12 to give the Board of Governors of the University of North Carolina the authority to authorize the constituent institutions and the General Administration of the University of North Carolina to acquire and dispose of real property by lease if the lease is for a term of not more than 10 years.

The proposed changes to UNC Policy 600.1.3.1 and to UNC Policy 200.6 would make both policies consistent with G.S. 116-31.12 as rewritten.

It is recommended that the Committee on Budget and Finance adopt the proposed changes to Policies 600.1.3 and 200.6 to enable the utilization of the disposition of real property by lease flexibility as permitted by North Carolina General Statute Section 116-31.12.

If approved and pursuant to the Board of Governors' guidelines, it is further recommended that the policy be presented to the Board at its October 2012 meeting for final consideration.

The UNC Policy Manual
200.6
Adopted 11/13/06
Amended 06/08/07
Amended 04/08/11
Amended _____12

Delegation of Authority to the President

A. Pursuant to NCGS §116-11(13) and other North Carolina law as referenced herein, and notwithstanding *The Code* or any other Board of Governors policy,[1] the Board of Governors delegates the following authorities to the President of the University:

1) Personnel

a) Authority to appoint and set the salaries of Senior Academic and Administrative Officers (§300.1.1 and §600.3.4) and other employees exempt from the State Personnel Act (§300.2.1) serving within the UNC General Administration.

b) Authority to set salary ranges for Senior Academic and Administrative Officers of the constituent institutions of University (§600.3.4).

c) Authority to approve conferrals of tenure and to set salaries of faculty, Senior Academic and Administrative Officers, except the chancellors, and other employees exempt from the State Personnel Act at campuses that do not have Management Flexibility to Appoint and Fix Compensation as long as those salaries are within the established salary ranges and are not raises in excess of 15% and $10,000 higher than the salary in effect at the end of the last fiscal year. (§§300.1.1 and 600.3.4; *Code* §602).

d) Authority to approve all actions relating to the administration of the Optional Retirement Program (G.S. §135-5.1) and the Phased Retirement Program (§300.7.2).

e) Authority to approve salary increases in excess of $10,000 and 15% for faculty members who are receiving salary increases funded through the Faculty Recruitment and Retention Fund.

2) Governance

a) The authority to approve the initiation of a lawsuit in the name of the University if the action is for monetary relief and the amount in controversy is less than $250,000. (§200.5)

b) The authority to settle a lawsuit that has been filed by or against a constituent institution or the University of North Carolina, if the settlement is solely for monetary relief and the amount the University is to pay pursuant to the settlement is less than $250,000 or, if the University is to receive a payment, the amount the University claimed is less than $250,000. (§200.5).

c) Authority to approve the political activities of employees of the University who are candidates for or serving in public office (§300.5.1).

3) Reports

a) The authority to approve and submit any report the University or the Board of Governors is required to submit to the General Assembly, the State Board of Education or any other State agency or officer.

4) Real Property

a) Except as authorized by b) below, authority to approve leases with at least $50,000[2] but less than $350,000 annual rental for a term of up to five years, subject to approval by the Department of Administration and the Governor and Council of State (§§600.1.3 and 600.1.4[R]).

b) Authority to approve the acquisition or disposition of real property by lease without the approval of the Department of Administration, the Governor and Council of State if the lease is for a term of not more than 10 years. The President's authority may be exercised in the President's discretion on behalf of General Administration, University affiliates or the constituent institutions. (G.S. 116-31.12, and Policy §§ 600.1.3.1 and 600.1.3.1[R])

c) Authority to approve acquisition or disposition of an interest in real property, other than a lease, for an amount of at least $50,000 but less than $500,000 (§§600.1.4 and 600.1.4[R]).

d) Authority to approve capital improvement projects that are projected to cost $500,000 or less. The President must provide notice of projects the president intends to approve under this provision to the Committee on Budget and Finance at least one week prior to authorizing the project. (§600.1.1).

B. The President will report all actions taken under the authority of these delegations to the appropriate commitee of the Board of Governors either in writing before the next regular meeting of the Board of Governors or at the next regular meeting of the Board of Governors.

C. These delegations will remain in effect unless and until the Board of Governors rescinds them in whole or in part.

[1] The Secretary of the University is authorized to annotate the referenced policies and regulations to cross-reference these delegations.

[2] Note that leases with annual rent less than $50,000 may be approved by the boards of trustees or the chancellors without further approval by the Board of Governors or the President. *See* Regulation §600.1.4[R].