

COMMITTEE ON UNIVERSITY GOVERNANCE

Thursday, August 13, 2009

Draft Minutes

The Committee on University Governance met Thursday, August 13, 2009, at 3:30 p.m. in Conference Room C of the Spangler Center, Chapel Hill.

Committee members present included Chairman Blank, Mr. Bowden, Dr. Buffaloe, Dr. Flood, Mr. Fulton, Dr. McCain, Mrs. Sanders, and Mr. Wilson. Chancellor Boarman was in attendance. Associate Vice Presidents Harrison and Waldrup and Secretary Corgnati attended as staff.

Approval of Minutes

Upon motion of Mr. Bowden and seconded by Dr. Buffaloe, the committee voted to approve the minutes of the May 7, 2009, meeting of the committee.

Campus Liaison Assignments

Chairman Blank requested each committee members' preference for campus liaison assignments. Following discussion, it was agreed that the committee would continue its discussion of its jurisdiction and campus liaison responsibilities at its September meeting.

Discussion of Vacancies on Boards and Councils

The committee discussed vacancies on councils and boards of trustees.

There is a term ending June 30, 2013, on the Appalachian State University Board of Trustees. Upon motion of Mr. Bowden and seconded by Dr. McCain, the committee voted to recommend the election of Mrs. Alice Roess of Blowing Rock to serve. Appendix A.

There is a term ending June 30, 2013, on the University of North Carolina at Asheville Board of Trustees. Upon motion of Mr. Bowden and seconded by Dr. McCain, the committee voted to recommend the reelection of Mr. Nathan Ramsey of Asheville to serve.

Committee on University Governance
August 13, 2009
Minutes

There is a partial term ending June 30, 2011, on the Winston-Salem State University Board of Trustees. Upon motion of Dr. McCain and seconded by Mr. Fulton, the committee voted to recommend the election of Ms. Susan Henderson of Winston-Salem to serve. Appendix B.

There are three terms ending June 30, 2013, on the North Carolina School of Science and Mathematics Board of Trustees, representing Congressional Districts 1, 2, and 5. Action was deferred.

There is a partial term ending June 30, 2011, on the North Carolina Arboretum Board of Directors. Upon motion of Mr. Bowden and seconded by Mr. Fulton, the committee voted to recommend the appointment of Dr. Charles Hamner of Chapel Hill to serve. Appendix C

There is a term ending June 30, 2012, on the State Building Commission. Upon motion of Mr. Bowden and seconded by Dr. Flood, the committee voted to recommend the appointment Jorge Quintal of UNC Greensboro to serve. Appendix D.

Center for International Understanding Advisory Board

The Board of Governors appoints one member of the Board to the Center for International Understanding Advisory Board. The Center is a public service entity of the University of North Carolina. The Governance Committee is anxious to know if any Board members are interested in serving.

Department of Defense Classified Research

Mr. Harrison provided the background regarding the accreditation process for the University of North Carolina at Charlotte Closed Facility to meet the requirements of the National Industrial Security Program Operations Manual under which the campus will be conducting research involving Department of Defense classified information. The Board of Governors must pass a resolution naming those members of the Board who will not have access

Committee on University Governance
August 13, 2009
Minutes

to the classified information and will, therefore not be required to have personal security clearances.

Upon motion of Dr. Flood and seconded by Mr. Bowden, the committee voted to approve the draft resolution that excludes all members of the Board of Governors from this requirement and will recommend adoption of the resolution to the Board of Governors. See Appendix E.

Amendments to Policy 200.1, *Dual Memberships and Conflicts of Interest*

Mr. Waldrup explained that the proposed changes to UNC Policy 200.1, *Dual Memberships and Conflicts of Interest*, are offered to make the definitions in the policy's footnotes conform to statutory changes. Upon motion of Dr. McCain and seconded by Dr. Flood, the committee voted to approve the proposed changes and agreed to bring the amendments to the Board for its consideration at its September meeting. See Appendix F.

Amendments to *The Code*

Action on proposed changes to Sections 604 and 605 of *The Code* was deferred pending consideration by the Committee on Personnel and Tenure.

Other Business

Action will be taken to ensure the Board of Trustee meeting schedule is kept current.

Upon motion and duly seconded, the committee voted to adjourn.

Alice Roess
PO Box 83
Blowing Rock, NC 28605

A third generation Floridian, born and raised in St. Petersburg, Alice Roess has been active in all aspects of life both as a professional and as a volunteer. Following are a few of those commitments.

PROFESSIONAL

- Certified Property Manager Lifetime Emeritus (i.e., General Electric)
- Florida Mortgage Broker
- Florida Real Estate Broker

CIVIC AND CHARITABLE WORK

- Celma Mastry Ovarian Cancer Foundation (Board of Directors/Fundraiser/Decorations Committee/General
- Co-Chair for Annual Fundraiser Gala/Neiman Marcus/Underwriter for Functions/Committees/Neiman Marcus Christmas Fundraiser Committee)
- Queen of Hearts Charity Ball (Nominated to serve as Princess on the Queen's Court)
- Woman's Service League (Officer/General Co-Chair for Annual Fundraiser/Committees/Hall of Famer)
- Blowing Rock Hospital (Annual Luncheon/Fashion Show Fundraiser Decoration/Silent Auction Committees)
- Community Club (Library - Member/Committees)
- Community Service Day (Annual Fundraiser Committees)
- St. Petersburg Museum of Fine Arts (Longtime Member)
- Stuart Society (Life Member - fundraising arm of the MFA)
- The James Smithsonian Society (Life Member - fundraising arm of The Smithsonian, Washington, D.C.)
- Woman's Chamber of Commerce of the Greater Gulf Beaches(Officer/Director/General Chair for Annual Fundraiser/Committees)

**Susan Henderson
Resume**

**370 N Stratford Road
Winston-Salem, NC USA 27104
USA
Home Phone: 336-777-8712**

Formal Education:

**University of Georgia, Athens GA.
Finance-1981**

Certified Financial Planner, Securities Licenses 7 & 63, Insurance License

25+ years of leadership experience including assignments in wealth management, private banking, commercial banking, and retail banking.

Demonstrated senior level leadership and proven sales management success serving the high net worth client.

Proven history of outstanding collaboration with business partners.

Demonstrated ability to attract, hire and retain top producing talent.

Proven ability to cultivate new and expand existing relationships with Wealth clients.

Excellent knowledge of the specific market

Work Experience:

Wachovia/First Union since 1987

Regional Director for Wealth Management, Piedmont Triad Region (current)

Managing Director for Wealth Management, Winston-Salem Team

Relationship Manager, Winston-Salem

Regional Consumer Banking Director, Winston-Salem Region

Consumer Banking Manager, Greater High Point Area

Commercial Banking and Retail Banking, Commercial Loan Officer Development Program, Bank of America (formerly NCNB, North Carolina)

1983-1987

Retail Branch Management and Management Training Program, Bank of America (formerly Citizens and Southern National Bank, Georgia)1981-1983

Charles Edward Hamner, Jr. DVM, PhD

1304 Salem Lane
Chapel Hill, N.C. 27516
(919) 968-1270

EDUCATION:

Hon. D.	(Pub. Service)	Elizabeth City State University, 2001
Hon. D.	(Letters)	North Carolina State University, 2001
Hon. D. Sc.		University of Ulster, N. Ireland, 1999
PhD	(Biochemistry)	University of Georgia 1964
MA	(Chemistry)	University of Georgia 1962
DVM	(Vet. Med.)	University of Georgia 1960
BS	(An. Sci.)	Virginia Polytechnic Institute 1956

FIELDS OF SPECIALIZATION:

General management in pharmaceutical and health care industries to include senior line responsibilities, program planning and budget systems, facility construction and maintenance; academic administration at all levels, technology development, coordination of university/government/ industry interactions; research and teaching in biochemistry and molecular biology, licensed to practice veterinary medicine and surgery in Virginia and Georgia.

PROFESSIONAL SOCIETIES:

American Association for the Advancement of Science
American Veterinary Medical Association
Biotechnology Industry Organization
Drug Information Association
FASEB, American Physiological Society
Society for the Study of Fertility

HONOR SOCIETIES AND AWARDS:

Omicron Delta Kappa, Phi Kappa Phi, Phi Zeta, Alpha Zeta, Gamma Sigma Epsilon, Phi Sigma, Sigma Xi and Sigma Xi Award for Outstanding Research and PhD Thesis, 1964
Archie K. Davis Award for Development of RTP, 2001
Charles Duncan McIver Medal, 2001

Hamner Advisory Services

1304 Salem Lane
Chapel Hill, NC 27516

PROFESSIONAL EXPERIENCE:

ADMINISTRATION:

- Chair, Board of Directors of The Hamner Institutes for Health Sciences, 2007 – present.
- Chairman and Chief Executive Officer, Hamner Advisory Service, Chapel Hill, N. C., 4/1/02 – present. Management and financial consultant.
- President and Chief Executive Officer, North Carolina Biotechnology Center, Research Triangle Park, NC, 2/1/88 – 3/31/02. Reported to the Chairman of the Board of Directors.

Research Professor, OB/GYN Department, University of North Carolina at Chapel Hill, 7/1/88 – 6/30/02.

- Associate Vice President for Health Affairs, University of Virginia Medical Center, 1979-1988. (Medical Center Planning, development and day-to-day operations, combined budgets of \$225 million and 6,000 employees). Project Director of the \$206 million dollar Replacement Hospital and Related Facilities Project. Made regular reports to the University Board of Visitors.

(Interim Executive Director, University of Virginia hospitals, January 1981-July 1981). Managed combined budgets of \$103 million in six (6) divisions and coordinated activities of 4,100 employees; ran day-to-day operations of a 700 bed Hospital and serving as Information Systems Executive for the development of a \$20 million dollar Hospital Information System.

- Assistant Vice President for Health Services, University of Virginia Medical Center, 7/1/77-6/30/79. (Managed combined budgets of \$82 million in four (4) divisions and coordinated activities of 2,900 employees.)

Professor, Obstetrics and Gynecology, University of Virginia, 7/1/77-2/1/88.

- Director of Program Coordination in Research and Development, A.H. Robins Company, Richmond, Virginia, 1974-1977. (Coordinated R&D Budget of \$14.3 million and activities of 284 scientists and technicians.) Developed five (5) products for market with sales exceeding \$300 million.

Associate Professor, Obstetrics and Gynecology, University of Virginia, 1967-1977.

- Director of Division of Reproductive Biology, University of Virginia School of Medicine, 1967-1977.

416 SOUTH SUNSET DRIVE • WINSTON-SALEM • NORTH CAROLINA • 27103 •
PHONE (336)-725-6480

JORGE QUINTAL, PE

WORK EXPERIENCE

2008- Present University of North Carolina at Greensboro

Associate Vice Chancellor- Facilities

Responsible for a staff of 254, charged with planning, design, construction, operations and maintenance of university facilities and infrastructure, including a 215 acre urban campus, 5M gsf of space, central steam and chiller water generation and distribution. Specific areas of oversight include campus master planning, building and infrastructure design and construction activities, grounds maintenance, custodial services, utility services, general building maintenance, waste reduction, recycling and sustainability, energy management, customer service and assessment. Accountable for a \$20M annual operating budget and a capital construction program currently at approximately \$100M.

2003- 2008 Winston-Salem State University

Associate Vice Chancellor - Facilities

Responsible for a staff of 121, charged with the effective planning, design, construction, operation and maintenance of university facilities, infrastructure and utilities, including central steam and chilled water generation. Providing leadership and strategic direction for the following areas in Facilities: business; human resources; facilities planning and engineering; real estate; and operations. Significant accomplishments include: 1) Implementation of a web based work order system; 2) Implementation of night shift housekeeping services; 3) Establishment of a dedicated preventive maintenance zone; 4) Reduction of utility consumption per student credit hour, and water consumption by 20% over the last five years; 5) First university in the system in awarding construction contracts for all Higher Education Bond program projects on time and within budget; 6) Implementation of three privatized residence hall complexes in coordination with the university foundation; 7) Serve as coordinator for the Historically Underutilized Businesses (HUB) program for Winston-Salem State University; 8) Expanded campus building square footage by 50% over a period of eight years; 9) Participated in a number of task forces both at UNC General Administration and the Office of State Construction.

July 2000-January 2003 Winston-Salem State University

Director of Facilities Planning and Engineering

Responsible for planning, design, construction of all university capital and non-capital construction projects, campus master planning, space, utility master planning, and university facilities archives. In charge of successful implementation of Higher Education Bond Program. Member of the University Bond Alliance and university HUB liaison.

July 1987-June 2000 North Carolina State University

Manager of Design, Associate Director for Construction Management, Project Manager

During a thirteen-year period, I held three positions. Starting as a project manager in 1987, promoted to associate director for construction management in 1993, and to manager of the design unit in 1998.

Performed complex engineering work directing a professional staff responsible for the planning, design and construction of university construction projects, from designer selection to occupancy. Workload included eighty to ninety projects at a given time. Established performance measures for department based on schedule, budget, program fit and customer satisfaction surveys. Updated and published a project management procedures manual. Produced administrative staff desk reference manual.

EDUCATION

North Carolina State University, *Master in Civil Engineering*
Instituto Tecnológico de Merida, *Bachelor of Science, Civil Engineering*

ACCREDITATIONS

Registered Engineer in the State of North Carolina
Graduate of the North Carolina Office of State Personnel Public Manager Program

PROFESSIONAL MEMBERSHIPS

Member of the Association of Physical Plant Administrators (APPA), 2003 to present
Member and present Chair of the Board of Directors of the North Carolina Department of Transportation Minority Expansion Counsel, 2004 to 2009

COMMUNITY INVOLVEMENT

Member of the Board of Directors of the Winston-Salem Downtown Partnership, 2006-2008
Member of the Board of Director of the Winston-Salem Children's Museum, 2001-2004



The University of North Carolina

BOARD OF GOVERNORS

Constituent Universities

Appalachian State
University

East Carolina
University

Elizabeth City State
University

Fayetteville State
University

North Carolina
Agricultural and
Technical State
University

North Carolina
Central University

North Carolina
State University
at Raleigh

University of
North Carolina
at Asheville

University of
North Carolina
at Chapel Hill

University of
North Carolina
at Charlotte

University of
North Carolina
at Greensboro

University of
North Carolina
at Pembroke

University of
North Carolina
at Wilmington

University of
North Carolina
School of the Arts

Western Carolina
University

Winston-Salem State
University

Constituent High School
North Carolina
School of Science
and Mathematics

*Equal Opportunity
Affirmative Action
Employer*

August 14, 2009

I, Estelle W. Sanders, do hereby certify that I am the Secretary of the Board of Governors of the University of North Carolina, a state agency organized and existing under the laws of the State of North Carolina, and that the following is a true and correct copy of a resolution adopted by the Board of Governors of the said agency at a meeting held at the University of North Carolina Spangler Center in Chapel Hill, North Carolina on August 14, 2009, at which time a quorum was present.

WHEREAS, current Department of Defense Regulations contain a provision making it mandatory that the senior management official meet the personnel clearance requirements established for a contractor's facility clearance; and

WHEREAS, said Department of Defense Regulations permit the exclusion from the personnel clearance requirements of certain members of the Board of Governors and other officers, provided that this action is recorded in the corporate minutes.

NOW THEREFORE BE IT DECLARED that the President of the University of North Carolina at the present time possesses, or will be processed for, the required security clearance; and

BE IT RESOLVED that in the future, when any individual enters upon any duties as the President of the University of North Carolina such individual shall immediately make application for the required security clearance; and

BE IT RESOLVED FURTHER that the following members of the Board of Governors and other officers, shall not require, shall not have, and can be effectively excluded from access to **CLASSIFIED** information in the possession of the corporation.

NAME	TITLE
Brent David Barringer	Member
John Michael Blackburn	Member
Peaches Gunter Blank	Member
Rodney Steve Bowden	Member
Laura Walton Buffaloe	Member
Frank Arthur Daniels, Jr.	Member

William Gray Daughtride, Jr.	Member
Walter Conaway Davenport	Member
John Wesley Davis III	Member
James Marvin Deal, Jr.	Member
Phillip Ray Dixon	Member
Thomas Gregory Doucette	Member, <i>Ex officio</i>
Dudley Eargith Flood	Member
Paul Fulton	Member
Hannah Dawson Gage	Chairman
Ann Baggett Goodnight	Member
Clarice Cato Goodyear	Member
Peter Douglas Hans	Vice Chairman
Charles Austin Hayes	Member
James Eubert Holshouser, Jr.	Emeritus Member
Adelaide Daniels Key	Member
Graham Leroy Lail, Jr.	Member
Ronald Charles Leatherwood	Member
Cheryl Ransom Locklear	Member
Franklin Eugene McCain	Member
Charles Henry Mercer, Jr.	Member
Fred Goode Mills	Member
Burley Bayard Mitchell, Jr.	Member
Jim Watkins Phillips, Jr.	Emeritus Member
Marshall Bruce Pitts, Jr.	Member
Gladys Ashe Robinson	Member
Irvin Al Roseman	Member
Estelle Wilkins Sanders	Secretary
Priscilla Patterson Taylor	Member
James Bradley Wilson	Emeritus Member
David Wallace Young	Member

WITNESS WHEREOF I have hereunto set my hand and affixed the seal of The Board of Governors of the University of North Carolina this 14th day of August 2009.

**Estelle W. Sanders, Secretary of the Board of
Governors of the University of North Carolina**

The UNC Policy Manual

200.1

Adopted 05/11/84

Amended 06/09/89

Amended 09/08/89

Amended 05/11/91

Amended 06/08/01

Amended 11/09/07

Amended 09/09/09**Dual Memberships and Conflicts of Interest**

The Board of Governors seeks at all times to be fair and impartial in carrying out its responsibilities and tries to avoid even the appearance of partiality or undue influence. To promote this objective the following guidelines are adopted as board policy and recommended to the members for their guidance:

1. Service on Foundation Boards or Boards of Visitors of Constituent Institutions

Members of the Board of Governors may, from time to time, be asked to serve simultaneously on a foundation board or a board of visitors or some similar board for one of the sixteen constituent institutions. No matter how conscientious or successful a member may be in maintaining impartiality among constituent institutions, service on such a board will undoubtedly be construed by some as showing favoritism. It is also felt that some institutions will feel pressure to name members of the Board of Governors to such boards if service on them becomes commonplace. For these reasons members of the Board of Governors are encouraged to decline any such service.

2. Service on Boards of Private Colleges and Universities

Members of the Board of Governors may be asked to serve simultaneously on the board of a private college or university in North Carolina. While such an invitation is always an honor, there are potential areas of conflict in such dual memberships. A member should satisfy himself or herself that dual service will not interfere with his or her obligations either to the University of North Carolina or to the private institution.

3. Inquiries Concerning Admissions and Job Openings

From time to time a member of the Board of Governors may wish to inquire, either directly or through an officer of the University, about a job opening in the University or about the admission of an individual to an institution or to a program. Sometimes a board member is asked to write a letter of recommendation on behalf of a candidate for a job or for admission. It is highly inappropriate to use one's position on the Board of Governors in an attempt to influence employment or admissions. It is not inappropriate, however, for a member to make inquiries or to write letters of recommendation on the member's personal or business stationery. It should always be clear that the board member is not seeking a favor and understands that the decision in all cases will be made strictly on the merits.

4. Appointments by the Board of Governors

In order to avoid any appearance of undue influence, the Board of Governors will not consider for membership on any board to which it makes appointments any person who is a spouse of a Board of Governors member, a brother or a sister or a lineal ancestor or descendant of a member, or the spouse of any such person. This policy shall not apply, however, to any person who may have been elected or appointed to any such board prior to the time the related person became a member of the Board of Governors. Nor shall the policy apply to any person who may already be serving on any such board at the time of the adoption of the policy. The Board of Governors will not consider for membership on any board to which it makes appointments any person who was a member of the Board of Governors at any time during the two-year period immediately preceding the effective date of the appointment. The boards to which this policy shall apply include the Boards of Trustees of the constituent institutions and all boards to which the Board of Governors make appointments.

The UNC Policy Manual

200.1

Adopted 05/11/84

Amended 06/09/89

Amended 09/08/89

Amended 05/11/91

Amended 06/08/01

Amended 11/09/07

Amended 00/00/00

5. Inappropriate Advantage Derived from Board Membership

a. Purpose: It is of critical importance that decisions made on behalf of the University by its governors, trustees, chief executive officers, and chief finance officers be in the best interest of the University and not be influenced by any potential financial gain to the decision-makers. Furthermore, to assure public confidence in the integrity of the University, it is important that the University not appear to be influenced by the personal financial interests of those in decision-making positions. The purpose of this policy is assure public confidence in the integrity of the University by preventing members of the governing boards and chief executive and finance officers of the University from using their positions, or appearing to use their positions, to influence the decisions of the University for their personal financial gain while at the same time allowing the University to take advantage of contracts that are advantageous to the citizens of North Carolina and to the University and also avoiding having service to the University be so restrictive that persons with substantial financial interests will be reluctant to serve.

b. Definitions

As used in this policy, the following terms have the following meanings:

- i. "Business entity" means a "business" as defined in GS §128A-3(2)¹ or a not for profit corporation.
- ii. "Person" means a member of the Board of Governors or of a Board of Trustees of a Constituent Institution, the President, the Vice President for Finance, a chancellor, or the chief finance officer of a constituent institution.

¹G.S. 138A-3(2) defines a "business" as, "Any of the following organized for profit:

- a. Association.
- b. Business trust.
- c. Corporation.
- d. Enterprise.
- e. Joint venture.
- f. Organization.
- g. Partnership.
- h. Proprietorship.
- i. Vested trust.
- j. Every other business interest, including ownership or use of land for income.

The UNC Policy Manual

200.1

Adopted 05/11/84

Amended 06/09/89

Amended 09/08/89

Amended 05/11/91

Amended 06/08/01

Amended 11/09/07

Amended 00/00/09

iii. "Substantial interest" means any of the following:

1. A "business with which associated" as that term is defined in GS § 138A-3(3)², except that ownership of more than \$10,000 in a publicly traded corporation by itself is not a substantial interest; or

2. A "nonprofit corporation or organization with which associated" as that term is defined in G.S. 138A-3(24)³, except that uncompensated service as a director, officer, or trustee of a not for profit corporation is not a substantial interest.

iv. "The University" as applied to members of the Board of Governors, the President, and the Vice President for Finance means the General Administration or any of the constituent institutions. "The University" as applied to members of the Boards of Trustees, a chancellor, or a chief finance officer of a constituent institution means the constituent institution on whose Board of Trustees the member serves or at which the chancellor or chief finance officer is employed.

c. Requirements

i. Each person must contemporaneously submit to the Vice President of Finance, each Statement of Economic Interests that the person files with the State Ethics Commission pursuant to G.S. S 138A-22. These disclosure statements are public records.

ii. Whenever a person has actual knowledge that a business entity in which the person has a substantial interest is attempting or planning to enter, is entering, or has

²G.S. §138A-3(3) Business with which associated. – A business in which the covered person or filing person or any member of the covered person's or filing person's immediate family does any of the following:

- a. Is an employee.
- b. Holds a position as a director, officer, partner, proprietor, or member or manager of a limited liability company, irrespective of the amount of compensation received or the amount of the interest owned.
- c. Owns a legal, equitable, or beneficial interest of ten thousand dollars (\$10,000) or more in the business or five percent (5%) of the business, whichever is less, other than as a trustee on a deed of trust.
- d. Is a lobbyist registered under Chapter 120C of the General Statutes.

For purposes of this subdivision, the term 'business' shall not include a widely held investment fund, including a mutual fund, regulated investment company, or pension or deferred compensation plan, if all of the following apply:

- a1. The covered person, filing person, or a member of the covered person's or filing person's immediate family neither exercises nor has the ability to exercise control over the financial interests held by the fund.
- b2. The fund is publicly traded, or the fund's assets are widely diversified.

³G.S. §138A-3(24) Nonprofit corporation or organization with which associated. – Any not for profit corporation, organization, or association, public or private enterprise, incorporated or otherwise, that is organized or operating in the State primarily for religious, charitable, scientific, literary, public health and safety, or educational purposes and of which the covered person, filing person, or any member of the covered person's or filing person's immediate family is a director, officer, governing board member, employee, lobbyist registered under Chapter 120C of the General Statutes or independent contractor as of December 31 of the preceding year. Nonprofit corporation or organization with which associated shall not include any board, entity, or other organization created by this State or by any political subdivision of this State.

Formatted: Justified, Space After: 6 pt

Formatted: Justified, Indent: Left: 0.5", First line: 0.5", Space After: 6 pt

The UNC Policy Manual

200.1

Adopted 05/11/84

Amended 06/09/89

Amended 09/08/89

Amended 05/11/91

Amended 06/08/01

Amended 11/09/07

Amended 00/00/09

entered into a contract with the University, the person must report the nature of the person's substantial interest and the nature of the contract to the chief finance officer of the institution that is or would be a party to the contract. If the person is a chief finance officer, then the chief finance officer must make this report to the chancellor or to the President of the institution that is or would be a party to the contract. Reports required by this paragraph shall be in writing and will be public records retained by the respective chief finance officers.

iii. The University will not enter into a contract with a value of \$10,000 or more, or with expected payments of \$10,000 or more per year, with a business entity in which a person has a substantial interest, unless one of the exceptions in paragraph C (iv) applies. A person will not in any way

1. participate in making a contract;
2. attempt to cause or influence the University to make a contract, or
3. attempt to influence the contract specifications or contracting process concerning a contract between a business entity in which the person has a substantial interest and the University.

The Vice President for Finance and the respective chief finance officers of the constituent institutions are responsible for determining whether the University is entering into a contract with a value of \$10,000 or more with a business entity in which a person has a substantial interest.

iv. The restrictions on entering into a contract in paragraph c(iii) do not apply if the person with the substantial interest does not participate in making or administering the contract and:

1. The contract results from a competitive sealed bid or a competitive request for proposals with specifications and criteria;
2. The contract is for goods or services sold or provided to the general public at a uniform price or is for goods on state contract sold to state agencies at a uniform price, unless the contract is prohibited by state law;
3. The contract is an employment contract with the dependent child or spouse of the President, the Vice President for Finance, a chancellor or chief finance officer or the dependent child of a member of the Board of Governors or a Board of Trustees and the employment is allowed under Section 300.4.2 of these policies;
4. The contract is with a bank or a public utility; or
5. The committee of the Board of Governors or of the relevant Board of Trustees designated pursuant to paragraph d(i) below finds that the contract is in the best interest of the University. Examples of when a contract might be in the best interest of the University include, but are not limited to, when it has financially advantageous terms, when the goods or services to be provided are demonstrated to be unique, or when the contract is a continuation of a contract that was in effect before the person with the substantial interest became affiliated with the University.

The UNC Policy Manual

200.1

Adopted 05/11/84

Amended 06/09/89

Amended 09/08/89

Amended 05/11/91

Amended 06/08/01

Amended 11/09/07

Amended 00/00/09

v. If a person is an employee or agent of a business entity, the person shall not attempt to influence the University to enter into a contract with the business entity that employs or retains the person.

vi. A person shall not attempt to influence the administration of or payments under a contract between the University and a business entity in which the person has a substantial interest or between the University and the person's employer.

vii. No person shall disclose or use confidential information or information concerning economic development or technology research or development which the person received in his capacity as a board member or employee of the University for the person's financial gain.

viii. No person shall accept a gift or favor from a business entity, or the principal in a business entity, which has entered into a contract with the University within the past year, who currently has a contract with the University, or who intends to attempt to enter into a contract with the University if the person:

1. has or will prepare plans, specifications, criteria or estimates for the contract;
2. awards, approves, negotiates, or administers the contract; or
3. inspects or supervises the contract.

This paragraph does not prohibit the receipt of advertising items of nominal value, awards such as plaques or trophies, food served at professional meetings or banquets, or gifts from family members or personal friends when it is clear that the friendship extends beyond the business relationship.

ix. A person shall not represent, as attorney, agent, or trustee, a third party who has an adverse relationship with the University. A person shall attempt to dissuade a firm or business entity in which the person has a substantial interest from engaging in representation adverse to the University.

d. Procedures

i. The Chairman of the Board of Governors and each Chairman of a Board of Trustees shall designate a standing committee to determine whether a potential conflict is a permissible or impermissible activity and to make recommended findings as to whether this policy has been violated.

ii. Potential conflicts:

1. Any person who receives a report of a potential conflict shall forward that report to the chief finance officer of the institution that is or would be a party to the contract.
2. If the person with the substantial interest claims or the chief finance officer believes that the contract is permissible pursuant to paragraph c(iv)(1), (2), (3), or (4) above, the determination of whether the contract is permissible or impermissible may be made by the respective President or chancellor, or the President or chancellor may request that the designated committee make the determination. Any determination by the President or a chancellor shall be in

The UNC Policy Manual

200.1

Adopted 05/11/84

Amended 06/09/89

Amended 09/08/89

Amended 05/11/91

Amended 06/08/01

Amended 11/09/07

Amended 00/00/09

writing and shall be a public record. The President and the chancellors shall report to the designated committee on an annual basis the contracts each has approved pursuant to this sub-paragraph. In addition, each chancellor shall report to the President on a quarterly basis the contracts the chancellor has approved pursuant to this subparagraph.

3. If the person claims that the contract is permissible pursuant to paragraph c(iv)(5) above, because the contract is in the best interest of the University, or if a chancellor or the President refers a conflict question to the committee, then the designated committee shall determine whether the proposed contract is a permissible or impermissible activity under this policy and shall enter its determination in the minutes of its proceedings.

4. If the person who has the potential conflict is a member of the designated committee, the person shall not participate in the deliberations of the committee, other than to present the relevant facts to the committee, and shall abstain from voting.

iii. Allegations of conflict

1. If any person or any Senior Academic or Administrative Officer becomes aware or alleges that a person covered by this policy has violated this policy, the person shall report the alleged violation to the chancellor or President of the institution that is or would be a party to the contract.

2. The person who receives the allegation shall forward the allegation:

a. to the designated committee of the Board of Trustees or of the Board of Governors if the person alleged to have violated this policy is a member of that Board;

b. to the designated committee of the Board of Governors if the President is alleged to have violated this policy;

c. to the President if the person alleged to have violated this policy is a chancellor or the Vice President for Finance; or

d. to the respective chancellor if the person is a chief finance officer of that constituent institution.

3. If the person alleged to have violated the policy is the President or a member of a Board of Governors or of the Board of Trustees, then the designated committee will determine whether or not the policy has been violated. The chairperson of the designated committee will designate an individual to investigate the allegations and to make a report to the committee. After considering the report of the investigation and any response by the person alleged to have violated the policy, the committee shall make a determination as to whether the policy has been violated and, if so, a recommendation as to the appropriate sanction to the respective Board of Trustees or Board of Governors. The Board of Trustees or Board of Governors shall vote to affirm, reject, or modify the recommendation.

The UNC Policy Manual

200.1

Adopted 05/11/84

Amended 06/09/89

Amended 09/08/89

Amended 05/11/91

Amended 06/08/01

Amended 11/09/07

Amended 00/00/09

4. If the person who has the potential conflict is a member of the designated committee, the person shall not participate in the deliberations of the committee, other than to present the relevant facts and arguments to the committee on his own behalf, and shall abstain from voting.

5. A Board of Governors member, Board of Trustees member, or President who is alleged to have violated this policy is entitled to receive notice of the allegation, to be present to hear the report presented to the designated committee, and to inform the committee of any facts or arguments that demonstrate that he or she did not violate the policy.

6. If the Vice President for Finance, a chief finance officer or a chancellor is alleged to have violated this policy, that allegation will be investigated and acted upon in accordance with the procedures for disciplining, demoting, dismissing, or terminating the contract of employees of that position.

iv. The President will present this policy annually to the Board of Governors and will present it to new members at the beginning of their service. The chancellors will present this policy annually to their respective Boards of Trustees and will present it to new members at the beginning of their service.

e. Sanctions

i. If the Board of Governors or a Board of Trustees finds that one of its members has violated this policy, the Board may take one or more of the following actions:

1. Reprimand or censure the member;
2. Remove the person from any Board office the person holds or from any committee chairmanship or assignment; and
3. Report the violation to the entity that appointed the member.

ii. If the Board of Governors finds that the President has violated this policy, the Board of Governors may discipline, demote or dismiss the President, as it deems appropriate.

iii. If the President finds that the Vice President for Finance has violated this policy, the President may discipline, demote, or dismiss the Vice President, and shall report the violation and the action taken by the President to the Board of Governors.

iv. If the President finds that a chancellor has violated this policy, the President may discipline the chancellor and report the action taken to the Board of Governors and the relevant Board of Trustees, or the President may recommend to the Board of Governors that the employment of the chancellor be terminated and that the chancellor be demoted or dismissed.

v. If a chancellor finds that a chief finance officer has violated this policy, the chancellor may discipline, demote or dismiss the chief finance officer and shall report the violation and the action taken to the President and the Board of Trustees.

vi. Pursuant to North Carolina law, any contract between the University and an entity in which a person has a substantial interest which was entered into in violation of state laws governing conflicts of interest is void.

The UNC Policy Manual

200.1

Adopted 05/11/84

Amended 06/09/89

Amended 09/08/89

Amended 05/11/91

Amended 06/08/01

Amended 11/09/07

Amended 09/09/09

The provisions of Section 5 are effective July 1, 2001. Initial disclosure forms will be filed on or before October 1, 2001. The provisions of paragraph c(iii) will apply to all contracts entered into after January 1, 2002. The Statement of Economic Interest replaces all disclosure forms due to be filed on or after July 1, 2007; the initial Statement of Economic Interest for people employed or in office on January 1, 2008, must be submitted to the Vice President for Finance by April 15, 2008.