

## **Policy on Acquisition of Real Property by Lease**

### **I. Authority**

N.C. Gen. Stat. § 116-31.12 (hereinafter G.S.) delegates to the Board of Governors of the University of North Carolina the authority to authorize the constituent institutions and the University of North Carolina General Administration to acquire real property by lease if the lease is for a term of not more than ten (10) years. Further, the statute directs the Board of Governors to establish a policy by which this leasing authorization may be further delegated to the boards of trustees of the constituent institutions or to the President of the University of North Carolina.

### **II. Policy**

- A. The Board of Governors may delegate to the President of the University of North Carolina authority consistent with G.S. 116-31.12 to acquire real property by lease if the lease term is for a term of not more than 10 years. The President's authority may be exercised on behalf of General Administration, its affiliates or the constituent institutions in the President's discretion.
- B. Upon request by the Board of Trustees of a constituent institution and with the recommendation of the President, the Board of Governors may delegate to the Board of Trustees of a constituent institution authority consistent with G.S. 116-31.12 to acquire real property by lease if the lease term is for a term of not more than 10 years.
- C. The Vice President for Finance, in consultation with General Counsel, shall establish the process by which a constituent institution may request delegated authority consistent with G.S. 116-31.12. The minimum criteria a constituent institution must meet to receive authorization from the Board of Governor's shall be:
  - 1. The constituent institution has performed a written, comprehensive self-assessment that demonstrates it has the administrative, technical, and support resources necessary to properly carry out the delegated authority.
  - 2. The chancellor has certified in writing that the constituent institution has the administrative, technical, and support resources necessary to properly carry out the delegated authority.
  - 3. The constituent institution has a properly constituted and active campus property review committee comprised of individuals with sufficient technical

expertise, strategic perspective and executive authority to perform the duties required herein.

4. The constituent institution has an individual on staff with substantial experience in managing commercial real estate transactions and the chancellor has designated that individual as the campus property officer.
  5. The constituent institution has appropriate and sufficient technical and professional staff with demonstrated capability in the development, evaluation and execution of commercial leasing transactions.
  6. An assessment team, assembled and led by the Vice President for Finance, has reviewed the constituent institution's self-assessment, has performed an on-site capabilities appraisal that confirms the institution's self-assessment, and has recommended delegation to the President.
- D. Upon recommendation of the President of the University of North Carolina, for good cause and consistent with G.S. 116-31.12, the Board of Governors may revoke or suspend the authority of a constituent institution or take other remedial action as the Board deems necessary and appropriate, pending a review of any reported noncompliance with this policy and the associated regulations. The Vice President for Finance, in consultation with the General Counsel, shall establish the process by which such reports shall be investigated and for the implementation of any revocation or suspension. Once authority has been revoked pursuant to this policy, all future lease transactions for the institution involved shall be completed in accordance with Chapter 146 of the General Statutes of North Carolina and any delegations issued in accordance therewith.