

May 26, 2022 at 9:00 a.m.
Via Videoconference and PBS North Carolina Livestream
UNC System Office
140 Friday Center Drive, Board Room
Chapel Hill, North Carolina

AGENDA

OPEN SESSION

1. InvocationMr. Sloan
2. Roll Call..... Secretary Burris-Floyd
3. Presentation of the 2022 Oliver Max Gardner Award Ms. Nichols
4. Chair's Report Chair Ramsey
5. President's ReportPresident Hans
6. Consent Agenda Chair Ramsey

Minutes

- a. Minutes (Open) of April 7, 2022

Committee on Budget and Finance

- b. Report on FY 2021 UNC System Debt Capacity Study
- c. Expansion of Millennial Campus – UNC System Office
- d. Disposition of Property by Ground Lease – UNC System Office
- e. 2022-23 Additional Non-Appropriated Capital Improvement Projects
- f. 2022-23 Engineering NC's Future Projects
- g. 2022-23 State Capital and Infrastructure Fund (SCIF) R&R Allocations
- h. Capital Improvement Projects
- i. Remarketing of Special Obligation Bonds – UNC-Chapel Hill
- j. Section 600.2.1, *Endowment Funds* (amend) (approved February 22, 2022)

Committee on Educational Planning, Policies, and Programs

- k. UNC System Academic Degree Program Actions
 - l. Licensure Program Approvals
7. Report of the Committee on Budget and Finance..... Mr. Holmes
 - a. Acquisition of Real Property by Lease – The UNC System Office
 8. Report of the Committee on Educational Planning, Policies, and ProgramsMr. Sloan
 - a. UNC Faculty Assembly Update Dr. Ives

9. Report of the Committee on University GovernanceMr. Powers
 - a. Appalachian State University Board of Trustees Appointment
 - b. PBS North Carolina Board of Directors Appointment
 - c. UNC Press Board of Governors Appointments
 - d. NC State Education Assistance Authority Board of Directors Appointment
 - e. State Building Commission Appointment
 - f. University of North Carolina Wilmington Board of Trustees Appointment
10. Report of the Committee on Audit, Risk Management, and Compliance Mr. Holton
 - a. Presentation of the State Auditor of North Carolina..... Ms. Wood
11. Report of the Committee on Strategic Initiatives Mrs. Coward
 - a. Approval of the Refreshed Strategic Plan Goals
12. Election of Officers.....Mr. Powers

CLOSED SESSION

13. Approval of Minutes (Closed) of April 7, 2022..... Chair Ramsey
14. Legal Report Mr. Tripp
15. Report of the Committee on Audit, Risk Management, and Compliance Mr. Holton
16. Report of the Committee on University PersonnelMrs. Blue

OPEN SESSION

17. Report of the Committee on University PersonnelMrs. Blue
 - a. Delegate Authority to the President to Issue Instructions for SHRA and EHRA Annual Raise Process (ARP) (Resolution)
 - b. Delegated Authorities Regarding Non-Base Salary Compensation for Employees Exempt from the State Human Resources Act (Resolution)
 - c. Delegate Authority to the President Related Campus Law Enforcement Officers from the Provisions of the State Human Resources Act (Resolution)
18. Adjourn

The next regularly scheduled meeting of the Board of Governors is Thursday, July 21, 2022, at the UNC System Office, 140 Friday Center Drive, Chapel Hill.

Closed Session Motion

Motion to go into closed session to:

- Prevent the disclosure of information that is privileged or confidential under Article 7 of Chapter 126 and § 143-748 of the North Carolina General Statutes, or not considered a public record within the meaning of Chapter 132 of the General Statutes.
- Consult with our attorney to protect attorney-client privilege; and

To consider and give instructions concerning a potential or actual claim, administrative procedure, or judicial action for the following cases:

- *Christopher Soderlund, et al. v. North Carolina School of the Arts, et al.*
 - *UNC School of the Arts and University of North Carolina Tort Claims Affidavits*
 - *Matter of Estate of Montae Imbt Johnson (UNCG)*
 - *Deena Dieckhaus, et al. v. UNC Board of Governors*
 - *Martha Hoelzer v. UNC Board of Governors, et al.*
 - *Olethia Davis v. The University of North Carolina a/k/a The University of North Carolina System (TA-26853)*
 - *Julie Torbett Thomas v. East Carolina University and University of North Carolina*
 - *Mustafa Ibrahim Selim v. East Carolina University, et al.*
- Consider the qualifications, competence, performance, or condition of appointment of a public officer or employee or prospective public officer or employee.

Pursuant to: G.S. 143-318.11(a)(1), (3), and (6).



The following policy changes to the UNC Policy Manual were recommended at prior committee meetings to be considered by the full Board of Governors on May 26, 2022:

1. Approval of proposed amendments to Section 600.2.1, *Endowment Funds* (Budget and Finance).

Policy on Endowment Funds

IA. ~~Purpose~~Authority. G.S. 116-36 provides the Board of Governors with authority to prescribe such terms and conditions under which each of the board of trustees of each constituent institution shall establish and maintain an endowment fund for the constituent institution. Pursuant to and consistent with its authority under the North Carolina General Statutes, including G.S. 116-36, the Board of Governors adopts the following policy regarding the establishment and maintenance of endowment funds.

II. ~~Regulations~~ Endowment Property Exclusively for the Benefit of One Constituent Institution

1A. Under the provisions of ~~N.C.~~G.S. ~~§~~116-36, ~~as amended by Chapter 506, 1977 Session Laws,~~ and pursuant to ~~these regulations~~this policy, uniformly applicable to all constituent institutions, the ~~b~~Board of ~~t~~Trustees of each constituent institution shall establish and maintain an endowment fund for the constituent institution.

B2. It is not the statutory intent underlying ~~these~~this policy ~~regulations~~ that the proceeds from any endowment fund shall take the place of state appropriations or any part thereof, but it is the statutory intent underlying ~~these~~this policy ~~regulations~~ that those proceeds shall supplement the state appropriations to the end that the constituent institution may improve and increase its functions, may enlarge its area of service, and may become more useful to a greater number of people.

C3. Pursuant to ~~these regulations~~this policy each ~~Board of Trustees~~board of trustees shall appoint an investment board to be known as the "Board of Trustees of the Endowment Fund of" _____" (here shall be inserted the name of the constituent institution).

D4. The ~~Board of Trustees~~board of trustees of the endowment fund shall consist of no fewer than six members and no more than nine members, as determined by the ~~Board of Trustees~~board of trustees of the constituent institution. One member of the ~~Board of Trustees~~board of trustees of the endowment fund shall be the chair~~man~~ of the ~~Board of Trustees~~board of trustees of the constituent institution, one member shall be the chancellor of the constituent institution, and a third ex officio member shall be designated by the ~~Board of Trustees~~board of trustees of the constituent institution from among the officers of that board or of the committees of that board. The remainder of the members may be (but need not be) members of the ~~Board of Trustees~~board of trustees of the constituent institution and shall be elected by the ~~Board of Trustees~~board of trustees of the constituent institution for overlapping terms of three years each. The terms of the three elected members of the ~~Board of Trustees~~board of trustees shall be initially for one, two, and three years each. All elections thereafter shall be for a regular term of three years, except that any person elected by the ~~Board of Trustees~~board of trustees to fill a vacancy created otherwise than by the expiration of a term shall be elected to serve the remainder of the term of the person whom he or she succeeds. The chair~~man~~ of the ~~Board of Trustees~~board of trustees of

the constituent institution shall be *ex officio* the chairman of the ~~Board of Trustees~~board of trustees of the endowment fund of that institution. The ~~Board of Trustees~~board of trustees of the endowment fund may establish procedures, consistent with ~~these regulations~~this policy, for executing business and shall at least establish a quorum and a necessary vote for the transaction of business and require the keeping of minutes for meetings of the endowment board.

~~E5.~~ The trustees of the endowment fund may receive and administer as part of the endowment fund gifts ~~and devises, devises, and bequests~~ and any other property of any kind that may come to them from the Board of Governors of the University of North Carolina or that may come to the trustees of the endowment fund from any other source, excepting always the moneys received from state appropriations and from tuition and fees collected from students and used for the general operation of the institution.

~~F6.~~ Any gift, ~~or devise, or bequest~~ of real or personal property to the constituent institution shall be presumed, nothing to the contrary appearing, a gift ~~or devise, devise, or bequest~~, as the case may be, to the endowment fund of the constituent institution. This presumption shall not apply to property made available to the institution prior to June 8, 1977.

~~G7.~~ Property shall not be deemed a part of the corpus of the endowment fund until it has been presented by the chancellor of the institution through written description of the property to the trustees of the endowment fund and has been acknowledged in writing as received by the trustees of the endowment fund. Property expressly or presumptively made available to the constituent institution for its endowment fund shall be presented by the chancellor to the trustees of the endowment fund as provided in this paragraph unless the chancellor finds that the property: (1) though presumptively made available to the institution for its endowment fund, was in fact made available to the institution for some other purpose; (2) has been made available to the institution under conditions which make its acceptance or use illegal; or (3) is unsuitable for use as property of the endowment fund.

~~H8.~~ The trustees of the endowment fund shall be responsible for the prudent investment of the fund in the exercise of their sound discretion, without regard to any statute or rule of law relating to the investment of funds by fiduciaries but in compliance with any lawful condition placed by the donor upon that part of the endowment fund to be invested. Provided, however, that Chapter 36E of the North Carolina General Statutes shall apply to the endowment fund.

~~I9.~~ The trustees of the endowment fund shall have the power to buy, sell, lend, exchange, lease, transfer, or otherwise dispose of or to acquire (except by pledging their credit or violating a lawful condition of receipt of the corpus into the endowment fund) any property, real or personal, with respect to the fund, in either public or private transaction, and in doing so they shall not be subject to the provisions of Chapters 143, 143C, and 146 of the General Statutes; provided that, any expense or financial obligation of the State of North Carolina created by any acquisition or disposition, by whatever means, of any real or personal property of the endowment fund shall be borne by the endowment fund unless authorization to satisfy the expense or financial obligation from some other source shall first have been obtained from the ~~Advisory Budget Commission~~Director of the Budget by the ~~b~~Board of ~~t~~Trustees of the endowment fund through successive endorsements by the ~~B~~Board of ~~t~~Trustees of the institution and the Board of Governors; and provided further that, unless approved by the Board of Governors, any acquisition, disposition, or capital project shall not materially alter the value or functionality of any State property; and provided further that, any gratuitous transfer of property or funds from

the endowment fund shall be only upon direction of the ~~b~~Board of ~~t~~Trustees of the institution upon recommendation of the chancellor. Notwithstanding any other provision of this Policy, any real property transaction or capital project that will require an increase of state funds, tuition revenue, or student fees must be approved in advance by the Board of Governors. Requests for Board of Governors' approval shall be made in a manner as prescribed by the president, or designee, and may include the redaction of trade secret or other confidential or proprietary information not considered a public record within the meaning of Chapter 132 of the General Statutes and may be considered in closed session, as permitted by applicable law.

~~10J.~~ The ~~b~~Board of ~~t~~Trustees of the endowment fund may appoint a fiscal agent or agents having all the privileges, powers, and immunities set forth in paragraph ~~A.9.II.I.~~, to the trustees of the endowment fund except that no fiscal agent shall have authority to approach the ~~Advisory Budget Commission~~Director of the Budget as otherwise provided in paragraph ~~A.9.II.I.~~. The ~~b~~Board of ~~t~~Trustees of the endowment fund may from time to time change its appointed fiscal agent or agents.

~~11K.~~ In the process of prudent investment of the fund (including the acquisition and maintenance of property for the fund) or to realize the intent underlying ~~these endowment regulations~~this policy, the ~~b~~Board of ~~t~~Trustees of the endowment fund or a fiscal agent appointed pursuant to paragraph ~~A.10.II.J.~~ may expend or use interest and principal of gifts ~~and devises, devises, and bequests~~; provided that, the expense or use would not violate any condition or restriction imposed by the original donor of the property which is to be expended or used nor violate the provisions of paragraph ~~A.9.II.I.~~

~~12L.~~ To realize the statutory intent underlying ~~these endowment regulations~~this policy, the ~~b~~Board of ~~t~~Trustees of the endowment fund may transfer interest or principal of the endowment fund to the useful possession of the constituent institution; provided that, the transfer would not violate any condition or restriction imposed by the original donor of the property which is the subject of the proposed transfer; and provided further that, such transfer be executed only by direction of the ~~b~~Board of ~~t~~Trustees of the institution and for the purpose identified by the ~~b~~Board of ~~t~~Trustees of the institution, upon recommendation of the chancellor.

~~13M.~~ Whenever any property of the endowment fund is disposed of or otherwise transferred from the endowment fund to the constituent institution or to any other recipient, any instrument of transfer shall indicate that the donor, grantor, seller, lessor, lender, or transferor, as the case may be, is the ~~b~~Board of ~~t~~Trustees of the endowment fund

~~14N.~~ The ~~Board of Trustees~~board of trustees of the endowment fund shall annually submit a comprehensive report on the endowment fund through the ~~Board of Trustees~~board of trustees of the institution to the Board of Governors. The annual comprehensive report shall include at least a consolidated financial statement, list of current real estate holdings, and current funding commitment for capital projects.

~~15O.~~ The ~~Board of Trustees~~board of trustees of each constituent institution shall within a reasonable time establish an endowment fund as provided in ~~this policy~~these regulations.

~~16P.~~ After a constituent institution has established an endowment fund as provided in ~~these regulations~~this policy, the ~~Board of Trustees~~board of trustees of the institution shall direct that the chancellor inventory, consider, and present for placement in the endowment fund, as provided in paragraph ~~A.7.II.G.~~, all property that reposes in any institutional endowment, trust, or

account as endowment property. The provisions of this paragraph shall not apply to property reposing in any endowment, trust, or foundation that has corporate identity other than under N.C.G.S. §-116-3.

17Q. When the trustees of the endowment fund acknowledge in writing receipt of property pursuant to paragraph II.P A-16., the provisions of the "Policy on Endowments" of April 11, 1974, of the Board of Governors and any resolution of the Board of Governors made in consequence of the "Policy on Endowments" shall be deemed inoperative with respect to the pertinent constituent institution; provided that, the transfer of title to any property by the Board of Governors to the endowment fund of the constituent institution shall be deemed to have continued in effect. ~~These regulations shall be effective upon their enactment by the Board of Governors.~~

BIII. ~~Regulations~~ Endowment Property for the Benefit of the University of North Carolina (UNC) as a Whole or for the Benefit of Two or More Constituent Institutions

A1. Under the provisions of N.C.G.S. §-116-36, ~~as amended by Chapter 506, 1977 Session Laws,~~ and pursuant to ~~these regulationsthis policy~~, uniformly applicable to all constituent institutions, the UNC Board of Governors ~~of the University of North Carolina~~ hereby establishes an endowment fund for all endowment funds now held or hereafter acquired by the University of North Carolina ~~for the benefit of the University as a whole, or for the joint benefit of any two or more constituent institutions of the University.~~

B2. It is not the statutory intent underlying ~~these regulationsthis policy~~ that the proceeds from the endowment fund shall take the place of state appropriations or any part thereof, but it is the statutory intent underlying ~~these regulationsthis policy~~ that those proceeds shall supplement the state appropriations to the end that ~~University-UNC~~ and its constituent institutions may improve and increase their functions, may enlarge their areas of service, and may become more useful to a greater number of people.

C3. The Committee on Budget and Finance of the UNC Board of Governors ~~of the University of North Carolina~~ shall constitute the ~~Board of Trustees~~board of trustees of all endowment funds now held or hereafter acquired by the University of North Carolina for the benefit of the University System as a whole or for the joint benefit of any two or more constituent institutions of the University, to be known as the "Board of Trustees of the Endowment Fund of the University of North Carolina." The ~~chairman~~chair of the Committee on Budget and Finance shall be *ex officio* the ~~chairman~~chair of the board of trustees of the endowment fund. Procedure for the conduct of business by the ~~Board of Trustees~~board of trustees of the endowment fund shall be consistent with Section 302C of *The Code of The University of North Carolina*.

D4. The trustees of the endowment fund may receive and administer as part of the endowment fund gifts and devises, ~~devises, and bequests~~ and any other property of any kind that may come to them from the UNC Board of Governors ~~of the University of North Carolina~~ or that may come to the trustees of the endowment fund from any other source, excepting always the moneys received from state appropriations and from tuition and fees collected from students and used for the general operation of the institution.

E5. Any gift or devise, ~~devise, or bequest~~ of real or personal property to the University of North Carolina System shall be presumed, nothing to the contrary appearing, a gift or devise,

~~devise, or bequest~~, as the case may be to the endowment fund. This presumption shall not apply to property made available to the University of North Carolina prior to June 8, 1977.

~~F6.~~ Any gift ~~or devise, devise or bequest~~ of real or personal property to the University of North Carolina for the benefit of the University as a whole or for the joint benefit of any two or more constituent institutions that reposes in any endowment, trust, or account as endowment property shall be inventoried, considered, and presented by the president for placement in the endowment fund as provided in paragraph ~~B-8.II.H~~. The provisions of this paragraph shall not apply to property reposing in any endowment, trust, or foundation that has corporate identity other than under ~~N.C.G.S. § 116-3~~.

~~G7.~~ Any gift ~~or devise, devise or bequest~~ of real or personal property jointly to two or more constituent institutions shall be presented through written description of the property by the chancellors of the beneficiary institutions to the president for his consideration and action as provided in paragraph ~~B-8.II.H~~. The provisions of this paragraph shall not apply to property reposing in any endowment, trust, or foundation that has corporate identity other than under ~~N.C.G.S. § 116-3~~.

~~H8.~~ Property shall not be deemed a part of the corpus of the endowment fund until it has been presented by the president through written description of the property to the trustees of the endowment fund and has been acknowledged in writing as received by the trustees of the endowment fund. Property expressly or presumptively made available to the endowment fund shall be presented by the president to the trustees of the endowment fund as provided in this paragraph unless the president finds that the property:

~~(1)1.~~ ~~I~~though presumptively made available to the University of North Carolina ~~System~~ for its endowment fund, was in fact made available to the University for some other purpose;

~~(2)2.~~ ~~H~~as been made available under conditions which make its acceptance or use illegal; or

~~(3)3.~~ ~~I~~s unsuitable for use as property of the endowment fund.

~~9I.~~ The trustees of the endowment fund shall be responsible for the prudent investment of the fund in the exercise of their sound discretion, without regard to any statute or rule of law relating to the investment of funds by fiduciaries but in compliance with any lawful condition placed by the donor upon that part of the endowment fund to be invested. Provided, however, that Chapter 36E of the North Carolina General Statutes shall apply to the endowment fund.

~~10J.~~ The trustees of the endowment fund shall have the power to buy, sell, lend, exchange, lease, transfer, or otherwise dispose of or to acquire (except by pledging their credit or violating a lawful condition of receipt of the corpus into the endowment fund) any property, real or personal, with respect to the fund, in either public or private transaction, and in doing so they shall not be subject to the provisions of Chapters 143, ~~143C~~, and 146 of the General Statutes, provided that, any expense or financial obligation of the State of North Carolina created by any acquisition or disposition, by whatever means, of any real or personal property of the endowment fund shall be borne by the endowment fund unless authorization to satisfy the expense or financial obligation from some other source shall first have been obtained from the ~~Advisory Budget Commission~~Director of the Budget by the ~~Board of Trustees~~board of trustees of the

endowment fund upon the endorsement of the Board of Governors; and provided further that, unless approved by the Board of Governors, any acquisition, disposition, or capital project shall not materially alter the value or functionality of any State property; and provided further that, any gratuitous transfer of property or funds from the endowment fund shall be only upon direction of the Board of Governors ~~of the University of North Carolina~~ upon recommendation of the president. Notwithstanding any other provision of this Policy, any real property transaction or capital project that will require an increase of state funds, tuition revenue, or student fees must be approved in advance by the Board of Governors. Requests for Board of Governors' approval shall be made in a manner as prescribed by the president, or designee, and may include the redaction of trade secret or other confidential or proprietary information not considered a public record within the meaning of Chapter 132 of the General Statutes and may be considered in closed session, as permitted by applicable law.

~~11K.~~ The ~~Board of Trustees~~board of trustees of the endowment fund may appoint a fiscal agent or agents having all the privileges, powers, and immunities set forth in paragraph ~~B.10II.J.~~ relative to the trustees of the endowment fund except that no fiscal agent shall have authority to approach the ~~Advisory Budget Commission as~~Director of the Budget otherwise provided in paragraph ~~B.10II.J.~~ The ~~Board of Trustees~~board of trustees of the endowment fund may from time to time change its appointed fiscal agent or agents.

~~12L.~~ In the process of prudent investment of the fund (including the acquisition and maintenance of property for the fund) or to realize the intent underlying ~~these endowment regulations~~this policy, the ~~Board of Trustees~~board of trustees of the endowment fund or a fiscal agent appointed pursuant to paragraph ~~B.11II.K.~~ may expend or use interest and principal of gifts ~~and devises, devises, and bequests;~~ provided that, the expense or use would not violate any condition or restriction imposed by the original donor of the property which is to be expended or used nor violate the provisions of paragraph ~~B.10II.J.~~

~~13M.~~ To realize the statutory intent underlying ~~these endowment regulations~~this policy, the ~~Board of Trustees~~board of trustees of the endowment fund may transfer interest or principal of the endowment fund to the useful possession of the University of North Carolina or to constituent institutions provided that, the transfer would not violate any condition or restriction imposed by the original donor of the property which is the subject of the proposed transfer, and provided further that, such transfer be executed only by direction of the UNC Board of Governors of the ~~University of North Carolina~~ and for the purpose identified by the Board of Governors, upon recommendation of the president.

~~14N.~~ Whenever any property of the endowment fund is disposed of or otherwise transferred from the endowment fund to the University of North Carolina, to a constituent institution, or to any other recipient, any instrument of transfer shall indicate that the donor, grant or, seller, lessor, lender, or transferor, as the case may be, is the ~~Board of Trustees~~board of trustees of the endowment fund.

~~15-O~~ The trustees of the endowment fund shall maintain discrete accounts for property received into the endowment fund identified as to those institutions made beneficiaries of the respective properties by their donors; and, upon distribution, the income and other proceeds from the various properties shall be provided only to those beneficiary institutions intended by the donor and in the proportion intended by the donor.

~~16P.~~ The ~~Board of Trustees~~board of trustees of the endowment fund shall annually submit a comprehensive report on the endowment fund to the Board of Governors. The annual comprehensive report shall include at least a consolidated financial statement, list of current real estate holdings, and current funding commitment for capital projects.

~~17Q.~~ The president shall inventory, consider, and present for placement in the endowment fund, as provided in paragraph ~~B-8II.H.~~, all property that presently reposes in any endowment, trust, or account as endowment property for the benefit of the University of North Carolina as a whole or for the benefit of two or more constituent institutions. The provisions of this paragraph shall not apply to property reposing in any endowment, trust, or foundation that has corporate identity other than under ~~N.C.G.S. §-116-3.~~

~~18R.~~ When the trustees of the endowment fund acknowledge in writing receipt of property pursuant to paragraph ~~B-17II.Q.~~, the provisions of the "Policies on Endowments" of April 11, 1974, of the Board of Governors concerning endowment funds for the benefit of the University as a whole or for the joint benefit of any two or more constituent institutions shall be deemed inoperative.

~~19. — These regulations shall be effective upon their enactment by the Board of Governors.~~

CIVH. Endowment Property for the Benefit of The University of North Carolina Press-

~~1A.~~ Under the provisions of ~~N.C.G.S. §-116-36,~~ as amended by Chapter 506, 1977 Session Laws, and pursuant to ~~these regulationsthis policy~~, uniformly applicable to all constituent institutions, the UNC Board of Governors ~~of the University of North Carolina~~ hereby establishes an endowment fund for all endowment funds now held or hereafter acquired for the benefit of the University of North Carolina Press.

~~2B.~~ It is not the statutory intent underlying ~~these regulationsthis policy~~ that the proceeds from the endowment fund shall take the place of state appropriations or any part thereof, but it is the statutory intent underlying ~~these regulationsthis policy~~ that those proceeds shall supplement the state appropriations to the end that the University of North Carolina Press may improve and increase its functions, may enlarge its areas of service, and may become more useful to a greater number of people.

~~3C.~~ The Board of Governors of the University of North Carolina Press shall constitute the ~~Board of Trustees~~board of trustees of all endowment funds now held or hereafter acquired for the benefit of the University of North Carolina Press, to be known as "the Board of Trustees of the Endowment Fund of the University of North Carolina Press." The ~~chairman~~chair of the Board of Governors of the University of North Carolina Press shall be *ex officio* the ~~chairman~~chair of the ~~Board of Trustees~~board of trustees of the endowment fund. Procedures for the conduct of business by the ~~Board of Trustees~~board of trustees of the endowment fund shall be consistent with procedures for the conduct of business by the Board of Governors of the University of North Carolina Press, Incorporated.

~~D4.~~ The trustees of the endowment fund may receive and administer as part of the endowment fund gifts ~~and devises, devises, and bequests~~ and any other property of any kind that may come to them from the UNC Board of Governors ~~of the University of North Carolina~~ or that may come to the trustees of the endowment fund from any other source, excepting always the

moneys received from state appropriations and from tuition and fees collected from students and used for the general operation of the University.

~~E5.~~ Any gift ~~or devise, devise, or bequest~~ of real or personal property to the University of North Carolina Press shall be presumed, nothing to the contrary appearing, a gift ~~or devise, devise, or bequest~~, as the case may be, to the endowment fund of the University of North Carolina Press. This presumption shall not apply to property made available to the University of North Carolina Press prior to June 8, 1977.

~~F6.~~ Property shall not be deemed a part of the corpus of the endowment fund until it has been presented by the president of the ~~University of North Carolina~~ UNC System through written description of the property to the trustees of the endowment fund and has been acknowledged in writing as received by the trustees of the endowment fund. Property expressly or presumptively made available to the University of North Carolina Press for its endowment fund shall be presented by the president of the University of North Carolina to the trustees of the endowment fund as provided in this paragraph unless the president, in consultation with the ~~d~~Director of the University of North Carolina Press, finds that the property: (1) though presumptively made available to the University of North Carolina Press for its endowment fund, was in fact made available to the Press for some other purpose; (2) has been made available under conditions which make its acceptance or use illegal; or (3) is unsuitable for use as property of the endowment fund.

~~G7.~~ The trustees of the endowment fund shall be responsible for the prudent investment of the fund in the exercise of their sound discretion, without regard to any statute or rule of law relating to the investment of funds by fiduciaries but in compliance with any lawful condition placed by the donor upon that part of the endowment fund to be invested. Provided, however, that Chapter 36E of the North Carolina General Statutes shall apply to the endowment fund.

~~H8.~~ The trustees of the endowment fund shall have the power to buy, sell, lend, exchange, lease, transfer, or otherwise dispose of or to acquire (except by pledging the credit of the State of North Carolina or violating a lawful condition of receipt of the corpus into the endowment fund) any property, real or personal, with respect to the fund, in either public or private transaction, and in doing so they shall not be subject to the provisions of Chapters 143, 143C, and 146 of the General Statutes; provided that, any expense or financial obligation of the State of North Carolina created by any acquisition or disposition, by whatever means, of any real or personal property of the endowment fund shall be borne by the endowment fund unless authorization to satisfy the expense or financial obligation from some other source shall first have been obtained from the ~~Advisory Budget Commission~~ Director of the Budget by the ~~Board of Trustees~~ board of trustees of the endowment fund upon the endorsement of the UNC Board of Governors ~~of the University of North Carolina~~; and provided further that, unless approved by the Board of Governors, any acquisition, disposition, or capital project shall not materially alter the value or functionality of any State property; and provided further that, any gratuitous transfer of property or funds from the endowment fund shall be only upon direction of the Board of Governors of the University of North Carolina Press upon recommendation of the president. Notwithstanding any other provision of this Policy, any real property transaction or capital project will require an increase of state funds, tuition revenue, or student fees must be approved in advance by the Board of Governors. Requests for Board of Governors' approval shall be made in a manner as prescribed by the president, or designee, and may include the redaction of trade secret or other confidential

or proprietary information not considered a public record within the meaning of Chapter 132 of the General Statutes and may be considered in closed session, as permitted by applicable law.

19. The ~~Board of Trustees~~board of trustees of the endowment fund may appoint a fiscal agent or agents having all the privileges, powers, and immunities set forth in paragraph ~~C.8.III.H.~~, relative to the trustees of the endowment fund except that no fiscal agent shall have authority to approach the ~~Advisory Budget Commission~~Director of the Budget as otherwise provided in paragraph ~~C.8.III.H.~~ The ~~Board of Trustees~~board of trustees of the endowment fund may from time to time change its appointed fiscal agent or agents.

10J. In the process of prudent investment of the fund (including the acquisition and maintenance of property for the fund) or to realize the intent underlying ~~these endowment regulation~~this policy, the ~~Board of Trustees~~board of trustees of the endowment fund or a fiscal agent appointed pursuant to paragraph ~~C.9.III.I.~~, may expend or use interest and principal of gifts ~~and devises, devises, and bequests~~; provided that, the expense or use would not violate any condition or restriction imposed by the original donor of the property which is to be expended or used nor violate the provisions of paragraph ~~C.8.III.H.~~

11K. To realize the statutory intent underlying these ~~endowment regulation~~this policy, the ~~Board of Trustees~~board of trustees of the endowment fund may transfer interest or principal of the endowment fund to the useful possession of the University of North Carolina Press; provided that, the transfer would not violate any condition or restriction imposed by the original donor of the property which is the subject of the proposed transfer; and provided further that, such transfer be executed only by direction of the Board of Governors of the University of North Carolina Press and for the purpose identified by the Board of Governors of the University of North Carolina Press, upon recommendation of the president.

12L. Whenever any property of the endowment fund is disposed of or otherwise transferred from the endowment fund to the University of North Carolina Press or to any other recipient, any instrument of transfer shall indicate that the donor, grantor, seller, lessor, lender, or transfer or, as the case may be, is the ~~Board of Trustees~~board of trustees of the endowment fund.

13M. The ~~Board of Trustees~~board of trustees of the endowment fund shall annually submit a comprehensive report on the endowment fund to the UNC Board of Governors ~~of the University of North Carolina~~, through the president. The annual comprehensive report shall include at least a consolidated financial statement, list of current real estate holdings, and current funding commitment for capital projects.

14N. The president shall inventory, consider, and present for placement in the endowment fund, as provided in paragraph ~~C.6.III.F.~~, all property that presently reposes in any endowment, trust, or account as endowment property for the benefit of the University of North Carolina Press. The provisions of this paragraph shall not apply to property reposing in any endowment, trust, or foundation that has corporate identity other than under ~~N.C.G.S. §-116-3~~ or the University of North Carolina Press, Incorporated.

15O. When the trustees of the endowment fund acknowledge in writing receipt of property pursuant to paragraph ~~C.14.III.N.~~, the provisions of the ~~"Policies on Endowments"~~ of April 11, 1974, of the Board of Governors of the University of North Carolina concerning endowment funds for the benefit of the University of North Carolina Press shall be deemed inoperative.

~~16P.~~ When the trustees of the endowment fund acknowledge in writing receipt of property pursuant to paragraph ~~C-14III.N.~~, the resolution of May 10, 1974, of the Board of Governors of the University of North Carolina concerning property held for the use and benefit of the University of North Carolina Press shall be deemed inoperative; provided that, the transfer of title to property under Section 1 of the resolution of May 10, 1974, to the Board of Governors of the University of North Carolina Press shall be deemed to have continued in effect.

~~17. — These regulations shall be effective upon their enactment by the Board of Governors of the University of North Carolina.~~

V. ~~Policy on Endowment Property for the Benefit of the University of North Carolina Center for Public Media~~

A. Under the provisions of G.S. 116-36, and pursuant to this policy, uniformly applicable to all constituent institutions, the UNC Board of Governors hereby establishes an endowment fund for all endowment funds now held or hereafter acquired for the benefit of the University of North Carolina Center for Public Media.

B. It is not the statutory intent underlying this policy that the proceeds from the endowment fund shall take the place of state appropriations or any part thereof, but it is the statutory intent underlying this policy that those proceeds shall supplement the state appropriations to the end that the University of North Carolina Center for Public Media may improve and increase its functions, may enlarge its areas of service, and may become more useful to a greater number of people.

C. The Board of Trustees of the University of North Carolina Center for Public Media shall constitute the board of trustees of all endowment funds now held or hereafter acquired for the benefit of the University of North Carolina Center for Public Media, to be known as “the Board of Trustees of the Endowment Fund of the University of North Carolina Center for Public Media.” The chair of the Board of Trustees of the University of North Carolina Center for Public Media shall be *ex officio* the chairman of the board of trustees of the endowment fund. Procedures for the conduct of business by the board of trustees of the endowment fund shall be consistent with procedures for the conduct of business by the Board of Trustees of the University of North Carolina Center for Public Media.

D. The trustees of the endowment fund may receive and administer as part of the endowment fund gifts and devises and any other property of any kind that may come to them from the UNC Board of Governors or that may come to the trustees of the endowment fund from any other source, excepting always the moneys received from state appropriations and from tuition and fees collected from students and used for the general operation of the University.

E. Any gift or devise of real or personal property to the University of North Carolina Center for Public Media shall be presumed, nothing to the contrary appearing, a gift or devise, as the case may be, to the endowment fund of the University of North Carolina Center for Public Media. This presumption shall not apply to property made available to the University of North Carolina Center for Public Media or its functional predecessor prior to May 28, 1979.

F. Property shall not be deemed a part of the corpus of the endowment fund until it has been presented by the president through written description of the property to the trustees of

the endowment fund and has been acknowledged in writing as received by the trustees of the endowment fund. Property expressly or presumptively made available to the University of North Carolina Center for Public Media for its endowment fund shall be presented by the president to the trustees of the endowment fund as provided in this paragraph unless the president, in consultation with the director of the University of North Carolina Center for Public Media finds that the property:

1. Though presumptively made available to the University of North Carolina Center forPublic Media for its endowment fund, was in fact made available to the center for someother purpose;
2. Has been made available under conditions which make its acceptance or use illegal; or
3. Is unsuitable for use as property of the endowment fund.

G. The trustees of the endowment fund shall be responsible for the prudent investment of the fund in the exercise of their sound discretion, without regard to any statute or rule of law relating to the investment of funds by fiduciaries but in compliance with any lawful condition placed by the donor upon that part of the endowment fund to be invested. Provided, however, that Chapter 36E of the North Carolina General Statutes shall apply to the endowment fund.

H. The trustees of the endowment fund shall have the power to buy, sell, lend, exchange, lease, transfer, or otherwise dispose of or to acquire (except by pledging the credit of the State of North Carolina or violating a lawful condition of receipt of the corpus into the endowment fund) any property, real or personal, with respect to the fund, in either public or private transaction, and in doing so they shall not be subject to the provisions of Chapters 143, 143C, and 146 of the General Statutes; provided that, any expense or financial obligation of the State of North Carolina created by any acquisition or disposition, by whatever means, of any real or personal property of the endowment fund shall be borne by the endowment fund unless authorization to satisfy the expense or financial obligation from some other source shall first have been obtained from the Director of the Budget by the board of trustees of the endowment fund upon the endorsement of the UNC Board of Governors ~~System~~and provided further that, unless approved by the Board of Governors, any acquisition, disposition, or capital project shall not materially alter the value or functionality of any State property; and provided further that, any gratuitous transfer of property or funds from the endowment fund shall be only upon direction of the board of trustees of the University of North Carolina Center for Public Media upon recommendation of the president. Notwithstanding any other provision of this Policy, any real property transaction or capital project that will require an increase of state funds, tuition revenue, or student fees must be approved in advance by the Board of Governors. Requests for Board of Governors' approval shall be made in a manner as prescribed by the president, or designee, and may include the redaction of trade secret or other confidential or proprietary information not considered a public record within the meaning of Chapter 132 of the General Statutes and may be considered in closed session, as permitted by applicable law.

I. The board of trustees of the endowment fund may appoint a fiscal agent or agents having all the privileges, powers, and immunities set forth in paragraph IV.H relative to the trustees of the endowment fund except that no fiscal agent shall have authority to approach the Director of the Budget as otherwise provided in paragraph IV.H. The board of trustees of the

endowment fund may from time to time change its appointed fiscal agent or agents.

J. In the process of prudent investment of the fund (including the acquisition and maintenance of property for the fund) or to realize the intent underlying this policy, the board of trustees of the endowment fund or a fiscal agent appointed pursuant to paragraph IV.I may expend or use interest and principal of gifts and devises; provided that, the expense or use would not violate any condition or restriction imposed by the original donor of the property which is to be expended or used nor violate the provisions of paragraph IV.H.

K. To realize the statutory intent underlying this policy, the board of trustees of the endowment fund may transfer interest or principal of the endowment fund to the useful possession of the University of North Carolina Center for Public Media; provided that, the transfer would not violate any condition or restriction imposed by the original donor of the property which is the subject of the proposed transfer; and provided further that, such transfer be executed only by direction of the board of trustees of the University of North Carolina Center for Public Media and for the purpose identified by the board of trustees of the University of North Carolina Center for Public Media upon recommendation of the president.

L. Whenever any property of the endowment fund is disposed of or otherwise transferred from the endowment fund to the University of North Carolina Center for Public Media or to any other recipient, any instrument of transfer shall indicate that the donor, grantor, seller, lessor, lender, or transferor, as the case may be, is the board of trustees of the endowment fund.

M. The board of trustees of the endowment fund shall annually submit a comprehensive report on the endowment fund to the UNC Board of Governors, through the president. The annual comprehensive report shall include at least a consolidated financial statement, list of current real estate holdings, and current funding commitment for capital projects.

N. The president shall inventory, consider, and present for placement in the endowment fund, as provided in paragraph IV.F, all property that presently reposes in any endowment, trust, or account as endowment property for the benefit of the University of North Carolina Center for Public Media. The provisions of this paragraph shall not apply to property reposing in any endowment, trust, or foundation that has corporate identity other than under G.S. 116-3.

IV. Other Matters

A. Effective Date. The requirements of this policy shall be effective on the date of adoption of this policy of the Board of Governors.

B. Relation to State Laws. The foregoing policy as adopted by the Board of Governors is meant to supplement and does not purport to supplant or modify, those statutory enactments which may govern or related to the subject matter of this policy.

C. Regulations and Guidelines. This policy shall be implemented and applied in accordance with such regulations and guidelines as may be adopted from time to time by the president.