THE UNIVERSITY OF NORTH CAROLINA SYSTEM

TRANSMITTAL LETTER

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Policy Manual Number	Title	Action
500.1	University Research Relations with Government Agencies and Private Entities	Amended 11/19/26 *Redline version attached*
600.1.1	Policy on Design, Construction, and Financing of Capital Improvement Projects	Amended 11/19/26 *Redline version attached*
600.1.2	Policy on Debt Management	Adopted 11/19/26
600.1.2	Selection of Bond Counsel	Repealed 11/19/26

The actions taken on the above Policies were reviewed and approved by the Board of Governors for inclusion in the UNC Policy Manual following the November 2026 Board of Governors meetings.

The entire UNC Policy Manual is accessible at: https://www.northcarolina.edu/apps/policy/index.php

University Research Relations with Government Agencies and Private Entities

I~~A~~. Appropriateness of University Research.

All activities of the University of North Carolina, including research collaborations with private entities, foundations, and government agencies, must support its teaching, research, and public service missions. The University environment must allow faculty and students to freely pursue learning and research. The University must also maintain its independence and integrity to assure impartiality, and it may not agree to any inappropriate limits on the freedom to publish research findings. Most importantly, the University must retain the public's trust by engaging in research activities that are consistent in nature, quality, scope, and importance with its mission, and that are conducted under conditions that ensure its academic integrity. The chancellors are the responsible officers for the administration of this policy and they are to take such steps as are necessary to maintain it.

~~B~~II. Proprietary Information.

Faculty and students of the University must have the right to disseminate freely and openly their research findings, and research sponsors may not abridge this basic right. ~~-~~ However, in certain exceptional cases, the sponsor may be in possession of proprietary and confidential information that the institution and the research sponsor must share to conduct the research project. A constituent institution, with the approval of its chancellor, may enter into agreements to guard the confidentiality of such proprietary information. Disclosure of information pursuant to an agreement to protect proprietary information must comply with the requirements of the North Carolina Public Records Act and the North Carolina Trade Secrets Protection Act. Information in the public domain, or information that a constituent institution legally obtains from a third party, or information independently developed or possessed by a constituent institution is expressly excluded from the definition of proprietary information. ~~-~~ Any agreement that involves the joint use of University facilities for proprietary purposes, or that purports to restrict faculty or students from publishing freely the results of their own work, shall be reported in writing to the p~~P~~resident prior to its execution. No agreement, however, may interfere with the publication or oral defense of research theses and dissertations of graduate students.

Section 500.2 of the UNC Policy Manual, *Patent and Copyright Policies*, ~~The University Patent Policy~~ provides that, under specified circumstances, publication may be delayed for not to exceed one year while patent protection is being secured.

III. Classified or Other Confidential Research Projects.

A. Research conducted under any form of sponsorship must maintain the University's open teaching and research philosophy and must adhere to a policy that prohibits secrecy in research. However, in cases involving United States government classification which impose actual or potential limitations on publication or dissemination of research findings, or in any other case which clearly involves exceptional circumstances, the chancellor is authorized to waive this requirement if it is in

the national, state, or institutional interest to do so. All such agreements must be reported in writing to the ~~President~~ president prior to their execution.

B. The UNC Board of Governors adopts the following framework for the management of facility security clearances to safeguard classified information. These provisions shall apply to each constituent institution that holds a classified contract or facility clearance, or desires to hold a classified contract or facility clearance.

1. The constituent institution shall appoint, where applicable, its own Senior Management Official, Facility Security Officer, Insider Threat Program Senior Official, and Information System Security Manager ("Authorized Personnel"). Authorized Personnel, specifically the Senior Management Official shall have ultimate authority and responsibility over classified matters at the constituent institution. This includes complete executive control over constituent institution research plans, contracts, and security.

2. The constituent institution shall be responsible for and has authority to issue its own research proposals, receive its own federal grants, and possess independent control and obligation to manage its research enterprise, including managing classified information and facility security clearances. Constituent institutions shall adopt technical and administrative safeguards to ensure networks and facilities are secure from unauthorized access.

3. The constituent institution shall control its own classified spaces, systems, personnel, records and decisions. The Board of Governors and the UNC System Office, including the president, shall not receive classified information or participate in classified-program decisions.

4. The constituent institution has authority and budgetary independence over its classified contracts, where the constituent institution shall have independence to protect classified information. Decision-making and the management of classified information shall not flow to the Board of Governors or the UNC System Office, including the president.

5. The Board of Governors and the UNC System Office, including the president and all UNC System Office employees, will not require, will not have, and will not access any classified information disclosed to the constituent institution and shall not occupy a position that would enable them to adversely affect the constituent institution's policies or practices in the performance of classified contracts.

IV. Other Matters.

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

B. Relation to Federal and 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 relate to the subject matter of this policy.

C. Regulations. 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.

Policy on Design, Construction, and Financing of Capital Improvement Projects

I. Authority. G.S. 143C-8-12 provides the Board of Governors (the Board) with authority to approve certain expenditures for capital improvement projects that will be funded and operated entirely from non-General Fund or non-State Capital and Infrastructure Fund money, including expenditures to plan, construct, and change the scope of such projects. Capital projects located on the Centennial Campus, the Horace Williams Campus, and other designated M~~m~~illennial C~~c~~ampuses are also subject to UNC Policy 600.1.6, *Policy on Millennial Campuses*.

Additionally, G.S. 116-31.11 delegates to the Board ~~of Governors~~ the authority for the administration of design and construction contracts ~~with regard to~~ regarding the construction~~,~~ or renovation of buildings, utilities, and other property developments requiring the estimated expenditure of public money of $4,000,000 or less. This authority includes the negotiation of fees for all design contracts and the supervision and letting of construction and design contracts, the establishment of procedures in performance of those responsibilities, and specific reporting requirements to the State Building Commission. The Board is also authorized to delegate its authority to constituent institutions and affiliates of the University of North Carolina if a constituent institution or affiliate is qualified under guidelines developed in consultation with the director of ~~the~~ budget and the State Building Commission. G.S. 116-31.11 also delegates to the Board the responsibility for making the final determination on all expenditures and project scope for capital improvement projects at the University of North Carolina and its constituent institutions.

Pursuant to and consistent with its authority under the North Carolina General Statutes, including G.S. 116-11(13), the Board ~~of Governors~~ adopts the following policy regarding authority of the president and boards of trustees of the constituent institution to approve and administer certain capital improvement projects.

II. Approval ~~and Administration~~ of ~~Certain~~ Capital Improvement Projects.

A. Final Responsibility for Determination of Project Scope for Capital Improvement Projects. The Board is responsible for making the final determination on the project scope of all capital improvement projects, unless otherwise delegated, and for considering a constituent institution's capital improvement request. These requests must first be submitted to the president or his designee in a manner prescribed by the president. If the North Carolina General Assembly appropriates funding for a capital improvement project that was not previously approved by the Board, the constituent institution shall submit the proposed capital improvement project scope, budget, schedule and other details for Board approval. Constituent institutions may not proceed beyond advanced planning for an appropriated capital improvement project which was not

previously approved by the Board until the capital improvement project is approved by the Board, regardless of the availability of appropriated funds.

B. Prohibition on Use of Capital Funds for Public-Private Partnership (P3) Projects. Pursuant to G.S. 143C-8-7.2~~.~~, a constituent institution or affiliate shall not use State funds appropriated for a capital improvement project or a self-liquidating project in conjunction with or for the benefit of a public-private partnership project for a capital improvement project or a self-liquidating project unless specifically authorized by an act of the General Assembly.

The term "public-private partnership project", as defined in G.S. 143C-8-7.2~~.~~, means a capital improvement project undertaken for the benefit of a governmental entity and a private entity that may involve a contract, a financing arrangement, or other agreement, and includes the construction of a public facility or other improvements, including paving, grading, utilities, infrastructure, reconstruction, or repair, and may include both public and private facilities.

C. ~~A.~~ General Delegations of Authority to the President and Boards of Trustees for Approval of Certain Capital Improvement Projects Pursuant to G.S. 143C-8-12.

1. The Board ~~of Governors~~ delegates to the president and the boards of trustees the power to approve capital improvement projects that are funded entirely with non-General Fund or non-State Capital and Infrastructure Fund money with a total project budget of less than $1,750,000.[~~1~~1] ~~-~~The president's authority may be exercised on behalf of the UNC System Office, affiliates~~–~~, or the constituent institutions in the president's discretion. ~~-~~Capital improvement projects that are funded entirely with non-General Fund or non-State Capital and Infrastructure Fund money with a total project budget of $1,750,000 or more must be approved by the Board ~~of Governors~~.

2. The Board ~~of Governors~~ delegates to the president and the boards of trustees authority to approve advance planning of capital improvement projects, where the advance planning effort is to be funded entirely with non-General Fund or non-State Capital and Infrastructure Fund money.[~~2~~2]

3. The Board ~~of Governors~~ delegates to the president the authority to approve an increase of up to 10% ~~percent~~ of the cumulative value of an originally-awarded construction contract for a System Office, affiliate~~–~~, or constituent institution capital improvement project previously authorized by the Board ~~of Governors~~.

4. After the long-term financing of a capital improvement project has been approved in accordance with statutory requirements, the president may approve interim financing or bank loans as a means of short-term financing. ~~-~~The president shall report any such actions to the Board's Committee on Budget and Finance at its next meeting.

[1] This delegation of authority shall be interpreted consistent with G.S. 143C-8-12. See also Appendix 1 to *The Code* and Section 200.6 of the UNC Policy Manual.

[2] Unless otherwise indicated by the Board, this delegation of authority to boards of trustees to approve advance planning efforts shall not be further delegated.

5. General Delegation to the President for the Authorization of Emergency Capital Projects. The Board delegates to the president the authority to approve emergency capital projects as defined in G.S. 143-129(e)(2).

6. Unless approved by the Board, a capital improvement project undertaken by a private entity and located on property owned by the constituent institution shall not materially alter the value or functionality of any State property.

7. Consistent with the definition of a capital improvement in G.S. 143C-1-1(d)(5) and the North Carolina Office of State Budget and Management Budget Manual, capital projects with a total project budget of less than $150,000 may be funded from the constituent institution's operating budget and authorized by the chancellor.

III. Administration of Capital Improvement Projects.

A.~~B.~~ General Delegation of Authority to the President and Boards of Trustees for the Administration of Design and Construction of Certain Capital Improvement Projects Using Public Money.

1. In accordance with The UNC Policy Manual, Appendix 1, ~~Para~~paragraph~~.~~ VI, the Board ~~of Governors~~ delegates to the president and the boards of trustees, subject to policies of the Board ~~of Governors~~ and all legal requirements relative to the construction of state -owned buildings, the responsibility for the following matters concerning campus capital construction projects which have been approved by the Board ~~of Governors~~ and authorized by the State of North Carolina: (1) the selection of architects or engineers for buildings and improvements requiring such professional services; (2) the approval of building sites; (3) the approval of plans and specifications; and (4) the final acceptance of completed buildings and projects. ~~Consistent with UNC Policy 200.1, T~~the president has authority to execute design and construction contracts for capital improvement projects within the terms of the budget-execution functions assigned by *The Code*.~~; this authority may be delegated.~~ The president delegates to each chancellor the authority and responsibility for execution of these contracts in conjunction with the performance by the boards of trustees of its enumerated responsibilities.

2. The Board ~~of Governors~~ delegates to the president the authority for the administration of design and construction contracts for capital improvement projects, which have been approved by the Board ~~of Governors~~ and authorized by the State of North Carolina, requiring the estimated expenditure of public money of $4,000,000 or less. The president's authority may be exercised on behalf of the UNC System Office, affiliates, or the constituent institutions in the president's discretion, subject to G.S. ~~§~~ 116-31.11.

3. The Board ~~of Governors~~ delegates to the board of trustees the authority for the administration of constituent institution design ~~and construction~~ contracts ~~of~~ for capital improvement projects, which have been approved by the Board of Governors and authorized by the State of North Carolina, ~~requiring the estimated expenditure of public money~~ with a total project budget of less than $~~750~~4,000,000.

4. The Board delegates to the board of trustees the authority for the administration of the constituent institution's construction contracts for capital improvement projects,

which have been approved by the Board and authorized by the State of North Carolina, that are informally bid and with a total project budget of less than $1,750,000.

~~C~~B. Additional Delegations of Authority to the Boards of Trustees for Administration of Capital Improvement Projects.

1~~.~~. 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 additional authority to administer capital improvement projects funded with public money ~~that are projected to cost~~ with a total project budget of less than $~~2~~4,000,000.~~3~~[3]

2. The senior vice president for finance and administration, in consultation with the senior vice president and general counsel, shall establish the process by which a constituent institution may request and maintain additional delegated capital authority consistent with G.S. 116~~-~~-31.11. and other relevant state laws. ~~-~~The minimum criteria a constituent institution must meet to receive and maintain authorization from the Board ~~of Governors~~ shall include, but not be limited to, the following:

a. The constituent institution demonstrates it has the administrative, technical, and support resources necessary to properly administer capital projects in compliance with the General ~~Statues~~ Statutes ~~of North Carolina~~, State Construction Office requirements, and UNC System Office standards.

b. The chancellor has certified in writing that the constituent institution will maintain the administrative, technical, and support resources necessary to properly administer capital projects in compliance with the General ~~Statues~~ Statutes ~~of North Carolina~~, State Construction Office requirements, and UNC System Office standards.

c. The constituent institution has an architect or engineer licensed in the State of North Carolina in a minimum of two key management positions. At a minimum, the key management position of the associate vice chancellor or director over design and construction of capital projects or equivalent shall be a registered architect or licensed engineer in the State of North Carolina with substantial experience in managing capital improvement projects. The requirements for professional licensure or registration for one of the key management positions may be waived if the ~~key personnel have~~person has comparable certifications, education, training, and work experience.

d. The constituent institution has appropriate and sufficient technical and professional staff with demonstrated capability in the planning, financing, and oversight of capital improvement projects.

[3] See footnote 1, above.

e. An assessment team, assembled and led by the senior 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.

Constituent institutions will be reviewed for re-authorization under this section on a periodic basis, to be established by the senior vice president for finance and administration, but not less than every three years.

3. The president or the Board ~~of Governors~~ may revoke or suspend the additional delegated authority of a constituent institution for any reason in its sole discretion. Once authority has been revoked or suspended all future capital improvement projects for the institution involved shall be completed in accordance with the General Statutes ~~of North Carolina~~ and the general delegations of authority provided for in ~~section II.B~~Sectionparagraph III.A. of this policy. In addition to the foregoing, the additional delegated authority for the administration of capital improvement projects shall be immediately suspended if the position for the associate vice chancellor or director over design and construction (or equivalent position) becomes vacant unless the chancellor appoints a qualified interim designee. Newly established capital projects shall be administered under the general delegated authority while the position is vacant. The additional delegated authority ~~will~~ may continue or be reinstated when the position is filled consistent with Section III.B.~~II.C.~~2.c of this ~~Policy~~policy.

~~III~~IV. Construction Delivery Method Reporting Requirement. In accordance with G.S. 143-133.1, constituent institutions that contract with a construction manager at risk, designer-builder, or private developer under a ~~public-private partnership~~P3 shall report to the System Office (in a manner prescribed by the president or the president's designee) the following information within 60 days of award for contracts utilizing such alternative delivery methods:

A. A detailed explanation of the reason why the particular construction manager at risk, design-builder, or private developer was selected;

B. The terms of the contract with the construction manager at risk, design-builder, or private developer;

C. A list of all other firms considered but not selected as the construction manager at risk, design-builder, or private developer;

D. A report on the form of bidding utilized by the construction manager at risk, design-builder, or private developer on the project; and

E. A detailed explanation of why the particular delivery method was used in lieu of the delivery methods identified in G.S. 143-128(a1) subdivisions (1) through (3) and the anticipated benefits to the public entity from using the particular delivery method.

The information shall be collectively reported annually to the Board for all projects awarded during the fiscal year and submitted with the annual report of the Committee on Budget and Finance.

~~IV~~V. Procedures and Reporting Requirements. ~~—~~The senior vice president for finance and administration shall have general authority to establish such procedures and reporting requirements for constituent institutions and affiliated entities as may be prudent to enable implementation of this policy

and associated regulations.

~~V~~VI. Other Matters.

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

B. Relation to Other Laws. This policy is designed to supplement, and does not purport in any way to supplant or modify, those statutory enactments and rights which may govern capital improvement projects in the State of North Carolina.

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

~~D.~~C.

~~[1]This delegation of authority shall be interpreted consistent with G.S. 143C-8-12. See also Appendix 1 to *The Code* and Section 200.6 of the UNC Policy Manual.~~

~~[2]Unless otherwise indicated by the Board of Governors, this delegation of authority to boards of trustees to approve advance planning efforts shall not be further delegated.~~

~~[3]See endnote 1, above.~~