

Policy on Authority for Real Property Transactions

I. Pursuant to its authority under G.S. 116-3, 116-11(13), 116-12, 116-13, 116-31.12,¹ and other North Carolina law, and consistent with Appendix 1 of *The Code* and Section 200.6 of the UNC Policy Manual, the Board of Governors adopts the following policy regarding authority to acquire and dispose of interests in real property.

II. General Delegations of Authority to the President and Boards of Trustees

A. The Board of Governors delegates to the president the power to authorize acquisition or disposition of the following interests in real property without obtaining approval of the Board of Governors:

1. Any interest in real property, other than a leasehold, with a value less than \$750,000; and
2. A leasehold interest in real property with annual value less than \$750,000 and a term of not more than 10 years.

The president's authority may be exercised on behalf of the University of North Carolina System Office, affiliated entities, or the constituent institutions in the president's discretion.

B. The Board of Governors delegates to the boards of trustees of the constituent institutions the power to authorize acquisition or disposition by the institutions of the following interests in real property without obtaining approval of the Board of Governors:

1. Any interest in real property, other than a leasehold, with a value less than \$500,000; and
2. A leasehold interest in real property with annual value less than \$500,000 and a term of not more than 10 years.²

C. The boards of trustees of the constituent institutions are authorized to delegate to the chancellors of their respective institutions the power to authorize for their institutions acquisition or disposition of an interest in real property valued at less than \$50,000,³ without obtaining the approval of the board of trustees of the pertinent institution or of the Board of Governors.

D. All delegations of authority in this section are subject to any necessary approvals from State officials and agencies.

III. Additional Delegations of Authority to the President and Boards of Trustees

A. The Board of Governors may delegate to the president of the University of North Carolina additional authority to acquire and dispose of an interest in real property other than a lease if valued at less than \$1,250,000, and/or, consistent with G.S. 116-31.12, to acquire and dispose of real property by lease if the lease is valued annually at less than \$1,000,000 and has a term of not more than 10 years. The president's authority may be exercised on behalf of the University of

North Carolina System Office, 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 additional authority to acquire and dispose of an interest in real property other than a lease if valued at less than \$1,000,000, and/or, consistent with G.S. 116-31.12, to acquire and dispose of real property by lease if the lease is valued annually at less than \$750,000 and has a term of not more than 10 years.

C. Should the Board of Governors delegate additional authority to one or more boards of trustees consistent with paragraph B., above, the president shall automatically receive authority at a level equal to the highest level of authority delegated to a board of trustees. The president's authority may be exercised on behalf of the UNC System Office, affiliated entities, or the constituent institutions in the president's discretion.

D. 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 delegated authority consistent with G.S. 116-31.12 and other relevant law. 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, performance of a written, comprehensive self-assessment that demonstrates:

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 senior vice president for finance and administration, 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.

E. Upon review in response to a request for re-authorization or in response to a report of noncompliance with this policy or its associated regulations, for good cause, and consistent with G.S. 116-31.12 and other relevant state law, the president may revoke or suspend the authority of a constituent institution or take other remedial action as the president deems necessary and appropriate. Once authority has been revoked or suspended pursuant to this policy, all future real property transactions for the institution involved shall be completed in accordance with Chapter 146 of the General Statutes of North Carolina and the general delegations provided for in section II of this policy.

IV. 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. Other Matters.

A. Effective Date. The requirements of this policy shall be effective on July 1, 2019.

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 the acquisition and disposition of real property 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.

¹G.S. 116-31.12 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 System Office to acquire and dispose of real property by lease if the lease is for a term of not more than 10 years. 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.

²Pursuant to G.S. 116-11(13), and notwithstanding *The Code* or any other Board of Governors policy, the Board of Governors delegates certain authorities to the president of the University. See Section 200.6 of the UNC Policy Manual.

³The value of an interest in real property shall, with respect to a leasehold interest, be deemed the annual rental value thereof.