



**PRIVILEGED AND CONFIDENTIAL**  
**ATTORNEY CLIENT COMMUNICATION**

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**To:** Bob Shea, Vice Chancellor for Finance and Administration  
Beth Fischer, Vice Chancellor of University Advancement  
Kelly Harris, Associate Chief of Staff and Assistant Secretary to the Board of Trustees

**Cc:** Waiyi Tse, Chief of Staff  
Scott Milman, Associate Vice Chancellor, Campus Enterprises & Real Estate

**From:** Jerry D. Blakemore, General Counsel  
Kristen S. Bonatz, Deputy General Counsel

**Date:** October 30, 2020

**Re:** Delegation from Board of Governors to Board of Trustees re: Advance Planning for Capital Improvement Projects

**I. Executive Summary**

On October 21, 2020, the Board of Governors approved additional authority to the boards of trustees related to advance planning of capital improvement projects, where the advance planning effort is funded with non-general fund money. This delegation permits the Board of Trustees to approve advance planning for capital improvement projects. Such planning includes engaging design professionals, developing project scope and budget estimate and engaging design consults prior to seeking Board of Governors approval. UNC Greensboro should review its policies and procedures related to capital projects, and revise them to allow for the use of this newly delegated authority.

**II. Background**

Currently, UNC Greensboro is required to obtain approval from the Board of Governors for the advance planning of any capital project over \$750,000 that is funded entirely with non-general fund money. This requires the submission of project scope and budget estimate *before* engaging a design consultant or obtaining a full understanding of the project requirements. Subsequently, UNC Greensboro must request approval for a new capital project once the advance planning is completed, so the Board of Governors is reviewing, in effect, the same project twice, and there are additional time requirements associated with these approvals. Engaging design professionals to assist with the development of initial project planning, schematic project development, and preliminary project budgets *prior to* seeking Board of Governors' approval increases efficiency.

The Board of Governor's Committee on Budget and Finance formed the Capital Construction Task Force ("BOG Task Force") on November 14, 2019, to review the capital project delivery process and to make recommendations to improve efficiency and ensure value in the execution of capital projects. The BOG Task Force presented its recommendations to the Board of Governor's Committee on Budget and Finance in July 2020, all of which were adopted. These recommendations included delegating the authority for advance planning to the president and boards of trustees when funded entirely with non-general fund money. The recommendation

required changes to Sections 200.6 and 600.1.1 of the UNC Policy Manual and those changes have now been adopted. Specifically, the policies have been amended, in relevant part, to authorize the president and boards of trustees to approve advanced planning of capital improvement projects when funded solely with non-General Fund money.<sup>1</sup>

With this delegation, UNC Greensboro can engage design professionals, develop project scope and budget estimates prior to seeking Board of Governors approval.

#### **IV. Conclusion**

UNC Greensboro should review its policies and procedures related to capital projects, and revise them to allow for the use of this new delegated authority. Finance and Administration, in collaboration with the University Advancement should develop protocols and procedures to implement this authority and advise the Board of Trustees of its newly delegated authority. Related to this is a determination of whether to advise the Board of Trustees about this new authority at its December meetings or wait until a later meeting. Additionally, the University needs to determine which Board Committee (likely Finance and Administration) is the most appropriate committee and what, if any, changes are necessary to internal procedures and protocols (between Finance and Advancement).

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<sup>1</sup> The UNC Policy Manual, Section 200.6 and The UNC Policy Manual, Section 600.1.1 at Section II A.2