

FCR 12

Office of the President
September 9, 2016

Members, Board of Trustees:

PROPOSED REVISION TO GOVERNING REGULATION:
CAPITAL PROJECT AND GIFT APPROVAL

Recommendation: that the Board of Trustees approve the attached revision to *Governing Regulation (GR) II, Governance of the University*, which was received for preliminary consideration as FCR 11 on June 24, 2016. The revision is related to increases in: 1) the threshold amount for a capital project requiring Board of Trustees approval; and 2) the minimum level for gift acceptance requiring Board of Trustees approval. It also is recommended that the Board approve a parallel revision to the relevant Administrative Regulation (AR 8:2) (FCR 8) as it relates to Capital Project approval.

Background: House Bill 80, enacted by the 2016 General Assembly, and signed by the Governor on April 27, 2016, increases the thresholds of capital-related activities that do not require legislative authorization for institutions of higher education. The amount for any capital construction item, or any combination of capital construction items necessary to make a building or utility installation complete requiring authorization, will increase from six hundred thousand dollars (\$600,000) to one million dollars (\$1,000,000), effective July 15, 2016. Per GR II, the University Athletics Committee and the University Health Care Committee (when appropriate) review and the Finance Committee reviews and makes recommendations to the Board in the areas of capital construction of \$600,000 or more. The attached revision updates the GR to reflect the legislative increase of the capital project approval threshold from \$600,000 to \$1,000,000.

In addition, it is recommended that the minimum level of gifts to be accepted by the Board of Trustees increase to \$1,000,000. At its June 2005 meeting, the Board of Trustees approved revisions to GR II to include increasing the minimum level of gifts to be accepted by the Board of Trustees from \$100,000 to \$400,000, where it remains today. As the University's efforts to raise significant private support have grown, the quantity of gifts and pledges at this level has increased significantly. Recognizing today's value of private support with inflation, it is recommended that the minimum level of gifts to be accepted by the Board of Trustees increase to \$1,000,000, including pledges of \$1,000,000 to be paid over five years or less.

This revision is supported by the President, the General Counsel, the Executive Vice President for Finance and Administration, and the Vice President for Philanthropy. This proposed revision has been reviewed by the University Senate, Staff Senate, and Student Government Association in accordance with GR XIII prior to Board approval (second reading).

A revised copy of GR II is attached. Proposed additions are underlined; proposed deletions are lined through.

Action taken: Approved Disapproved Other _____