



January 28, 2021, 9:00AM

Zoom teleconference hosted in 105 South Building

OPEN SESSION

FOR INFORMATION ONLY (No formal action is requested at this time)

- | | |
|--|--------------|
| 1. Internal Audit Report
<i>Dean Weber, Chief Audit Officer</i> | Attachment A |
| 2. Development Report
<i>David Routh, Vice Chancellor for University Development</i> | |
| 3. Semi-Annual Lease Report
<i>Nathan Knuffman, Interim Vice Chancellor for Finance and Operations</i> | Attachment B |
| 4. Semi-Annual Capital Projects Report
<i>Nathan Knuffman, Interim Vice Chancellor for Finance and Operations</i> | Attachment C |
| 5. Budget Update
<i>Nathan Knuffman, Interim Vice Chancellor for Finance and Operations</i> | Attachment D |

COMMITTEE MEMBERS

Haywood D. Cochrane Jr., Chair

John P. Preyer, Vice Chair

Richard Y. Stevens, ex-officio

David L. Boliek Jr. Jefferson (Jeff) W. Brown

R. Gene Davis Jr. Charles (Chuck) G. Duckett

Allie Ray McCullen G. Munroe Cobey

Administrative Liaison:

Nathan Knuffman, Interim Vice Chancellor for Finance & Operations

David Routh, Vice Chancellor for University Development

University of North Carolina at Chapel Hill Board of Trustees

Finance, Infrastructure and Audit Committee January 28, 2021

SUBJECT: Second Quarter Fiscal Year 2020/2021 Update of Activities of the Office of Internal Audit (INFORMATION)

BACKGROUND: The University of North Carolina at Chapel Hill *Internal Audit Charter* prescribes for the Chief Audit Officer to provide the Finance, Infrastructure and Audit Committee of the Board of Trustees with periodic updates on the status of activities of the Office of Internal Audit.

This includes updates on the standing of engagements defined within the organization's risk-based internal audit work plan. The work plan is developed each fiscal year and is presented for approval by the Finance, Infrastructure and Audit Committee and the university's Chancellor.

Committee updates are to address communication of the impact of resource limitations affecting the internal audit plan; recommended adjustments, as necessary, in response to the university's business, risks, operations, programs, systems, and controls; communication of significant interim changes to the internal audit plan; and, provide information on internal audit's follow-up on engagement findings and corrective action.

University of North Carolina at Chapel Hill

Finance, Infrastructure and Audit Committee

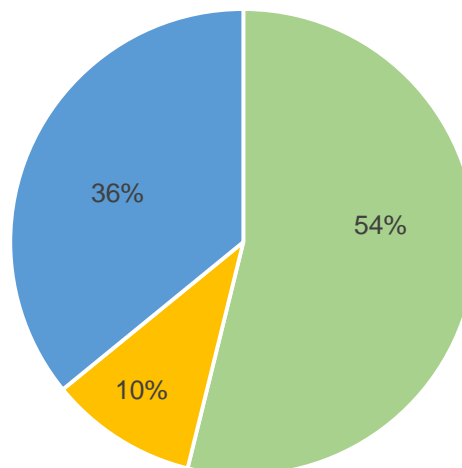
Fiscal Year 2020/2021 Second Quarter Update of Activities of the Office of Internal Audit

Fiscal Year 2020/21 Internal Audit Work Plan

The Finance, Infrastructure, and Audit Committee and the university's Chancellor approved the Office of Internal Audit's (OIA) *Fiscal Year 2020/21 Work Plan* on May 21, 2020. The document provides for the completion of 21 planned engagements and four carry-over engagements ongoing but not completed at June 30, 2020. Separately, the *Work Plan* provides budgeted hours for the completion of Special Project/Advisory Requests arising during the fiscal year. Fourteen new Special Project/Advisory Requests have been received this fiscal year-to-date.

Operational activities of the OIA have not been significantly impacted in shifting operations to a remote work environment as a result of the COVID-19 pandemic. OIA staffing has remained stable. The unit has been fully functional, completing audit engagements defined in the approved *Work Plan*, and has assumed numerous additional project requests. A recap of approved *Work Plan* engagements and Special Project/Advisory requests received through December 31, 2020, are detailed in the following graph.

Fiscal Year 2020/21 OIA Work Plan Engagement Composition



Special Project/Advisory (14)

Audit hours are budgeted as part of the approved fiscal year work plan to address special projects as needs arise. At the end of the second quarter FY2021, 14 additional projects were provided to the Office of Internal Audit for completion.

Carry-over Engagements (4)

- Undergraduate Admissions
- Donor Restricted Gifts
- State Auditor A133 Follow-up (special project)
- ASoD Pathology (special project)

Planned Engagements (21)

- Construction Contracting
- Accounts Payable
- Imprest Accounts and Cash Advances
- Budgeting & Revenue Recognition
- OSR Uniform Guidance – Procurement
- COVID-19 Pandemic Funding
- Jeanne Clery Act
- Chemical Storage
- Foreign Influence
- Dean of Students
- IT 3rd Party Software Inventory
- Institutional Data Governance
- NCAA Athletic Recruiting On/Off-Campus
- NCAA Extra Benefits
- NCAA Rules Education
- NCAA Camps & Clinics
- NCAA Investigations & Self Reporting
- System Administrative Initiatives
- Technology Access Controls
- University Travel
- Grant Closeout Reconciliations

Fiscal Year 2020/21 Work Plan Achievements at December 31, 2020

All prior year's carry-over engagements have concluded. Of the twenty-one planned engagements, four have concluded, and four are underway. Additionally, through the end of the second quarter, the OIA received a total of fourteen special project/advisory requests. Work is completed on nine special projects project with final engagement outcomes issued, two are underway, and one has not yet been initiated. Of the two advisory projects, one is completed, and one is underway.

Project Source	Total Engagements	Number Concluded	Number Underway	Number Not Initiated	Percent Concluded/Underway
Planned Audits	21	4	4	13	38%
Carry-over Audits	2	2			100%
Work Plan Total:	23	6	4	13	43%
Special Projects	12	9	2	1	92%
Carry-over Special Projects	2	2			100%
Advisory Projects	2	1	1		100%
Cumulative Total:	39	18	7	14	64%

OIA Engagements Concluded at December 31, 2020 (18)

The OIA accomplished significant progress in meeting defined *Work Plan* initiatives with the completion of eighteen engagements fiscal year-to-date. Eleven special projects, one advisory project, and six planned audits have concluded. Outcomes from completed special projects and planned audits provided management with information and recommendations to strengthen operations and improve internal controls.

Engagements Underway at December 31, 2002 (7)

At the close of the second quarter, project work remained underway on seven engagements. Draft communications were provided for managements review for two engagements, fieldwork is underway for three engagements, and fieldwork is completed for two engagements. Additional *Work Plan* engagements will commence as projects are completed.

Potential Changes to Anticipated Completion of Work Plan Engagements

While the goal of the OIA is to attain completion of all projects defined within the approved *Fiscal Year 2020/2021 Work Plan*, the impact on certain areas of campus operations slated for internal audit activity has been adversely impacted by the COVID-19 pandemic. At mid-point of the *Work Plan* year, the possibility exists that planned engagements in the areas of Foreign Influence, Dean of Students, and certain NCAA Compliance audits may not be completed.

Foreign influence has been reduced with limitations resulting from international restrictions. Additionally, both Student Affairs and Athletics have experienced adverse student-related impacts affecting these areas of campus operations. Both areas are heavily consumed in working to maintain operations during the pandemic with the resulting environment potentially presenting an inopportune time for internal audit activity to occur. If not completed, these engagements would advance to the FY2022 planning cycle.

Separately, audit efforts supporting evaluation of pandemic relief funding has significantly increased as a result of the protracted duration and enhanced level of funding afforded to the university requiring independent monitoring and auditing. This engagement work will require additional hours beyond those initially budgeted to complete necessary internal audit analysis and reporting.

Management Corrective Actions - OIA Follow-up Assessments

The OIA maintains a formalized process to follow-up on prior audit report recommendations provided to leadership and to assess successful implementation of management corrective action plans drafted in response to internal audit report recommendations.

Summary of Corrective Action Activity Fiscal Year 2020/21 (as of December 31, 2020)	
Total Recommendations Unverified as of July 1, 2020	49
New Recommendations Added During Fiscal Year 2020/21	17
Prior Recommendations Verified as Resolved During Fiscal Year 2020/21	12
Total Recommendations Unverified as of December 31, 2020	54

During the first two quarters of FY2021, twelve management responses supporting prior audit recommendations have been evaluated and closed. Of the closed reviews, eleven identified implementation of internal audit recommendations and one identified management's decision to continue existing operations.

At December 31, 2020, 54 prior audit recommendations are in que for evaluation of management corrective action plans by the OIA. Of this total, approximately half will be ready for assessment in the third and fourth quarters of fiscal year 2021. The remaining will be ready for assessment at a later date.

Office of Internal Audit Professional Development

The OIA adheres to the Institute of Internal Auditors' *International Standards for the Professional Practice of Internal Auditing (Standards)*. The Standards prescribe requirements for internal audit professionals including attaining defined continuing professional development training.

During the first half of fiscal year 2020/21, the OIA hosted 14 hours of Continuing Professional Education training made available to all internal audit colleagues and guests of the University of North Carolina System. The conference initially planned to be held in-person at Chapel Hill, over a two-day period, transitioned to a fully virtual conference, spanning three consecutive Tuesday afternoons in October 2020, as a result of the COVID-19 pandemic. A slate of 14 speakers provided instruction on a variety of audit, financial, compliance, and personal development topics.

Separately, the OIA presented at the 2020 *Association of College and University Auditors' (ACUA) International Conference*, occurring in September 2020. Produced as a virtual event, a senior auditor from the OIA presented a one-hour session on the topic of "*The Art of Identifying Vendor Fraud*". Additionally, the Chief Audit Officer will host an internal audit executive leader's roundtable discussion at the March 2021 *ACUA Audit Interactive* spring conference focused on immerging risk topics in higher education and internal audit engagement planning.

Office of Internal Audit Status Update of Achievements

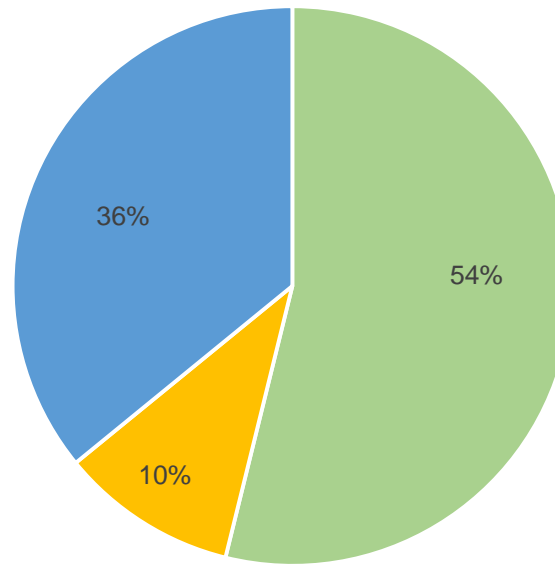
*UNIVERSITY of NORTH CAROLINA
at CHAPEL HILL*

Dean Weber, CIA, CRMA
Chief Audit Officer
January 28, 2021

Office of Internal Audit Fiscal Year 2020/21 Work Plan Engagement Composition

Special Project/Advisory (14)

Audit hours are budgeted as part of the approved fiscal year work plan to address special projects as needs arise. At the end of the second quarter FY2021, 14 additional projects were provided to the Office of Internal Audit for completion.



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Planned Engagements (21)

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- Institutional Data Governance
- NCAA Athletic Recruiting
- NCAA Extra Benefits
- NCAA Rules Education
- NCAA Camps & Clinics
- NCAA Investigations & Self Reporting
- System Administrative Initiatives
- Technology Access Controls
- University Travel
- Grant Closeout Reconciliations

Fiscal Year 2020/21 Achievements - Through Second Quarter

- Four planned audits, nine special projects, one advisory, and four carry-over engagements are concluded with the issuance of final reports to leadership.
- Four planned engagements, two special projects, and one advisory project were underway on December 31, 2020.
- Thirteen projects contained in the work plan and one special project were not initiated on December 31, 2020. Efforts are on-track to accomplishment completion of most planned audit engagements by June 30, 2021.

Project Source	Total Engagements	Number Concluded	Number Underway	Number Not Initiated	Percent Concluded/Underway
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Office of Internal Audit

Management Corrective Actions

- The OIA maintains a formal tracking and reporting process to periodically assess the disposition of management responses in reply to all completed internal audit engagements.
- The following chart summarizes the current fiscal year's activity:

Summary of Corrective Action Activity Fiscal Year 2020/21 (as of December 31, 2020)	
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New Recommendations Added During Fiscal Year 2020/21	17
Prior Recommendations Verified as Resolved During Fiscal Year 2020/21	12
Total Recommendations Unverified as of December 31, 2020	54

Office of Internal Audit

Advancing Professional Development

The Institute of Internal Auditors' *International Standards for the Professional Practice of Internal Auditing* prescribes requirements for internal audit professionals, including attaining defined continuing professional development training.

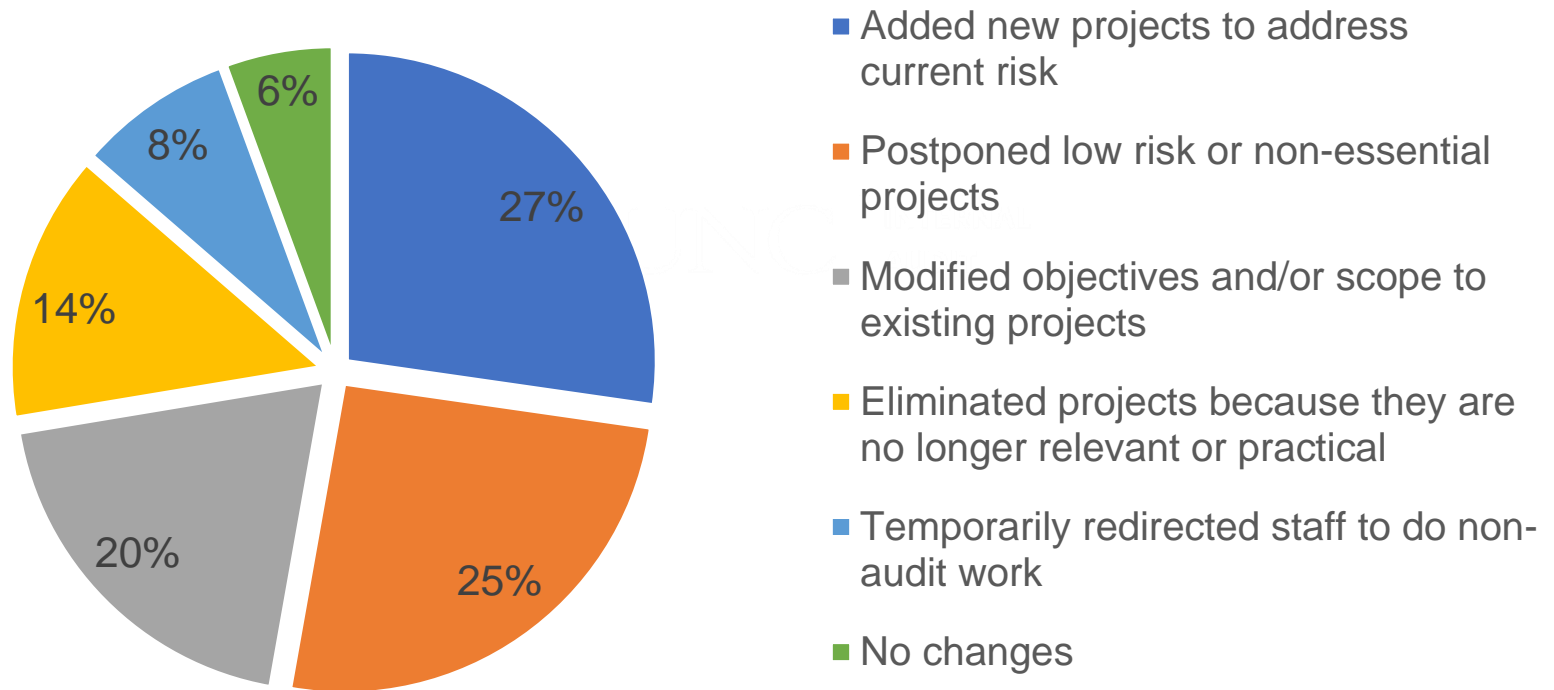
- The OIA hosted 14 hours of Continuing Professional Education training made available to all internal audit colleagues and guests of the University of North Carolina System.
 - Fully virtual conference spanning three consecutive Tuesday afternoons during October 2020.
 - Slate of 14 speakers provided instruction on a variety of audit, financial, compliance, and personal development topics.
 - Training provided free of charge to all attendees.
- The OIA presented at the 2020 Association of College and University Auditors' International Conference in September 2020. Produced as a virtual event, a senior auditor from the OIA presented a one-hour session on "The Art of Identifying Vendor Fraud." The Chief Audit Officer will also host a roundtable discussion at ACUA's March 2021 conference.

Office of Internal Audit

COVID-19 Benchmark Audit Plan Impacts

Peer Benchmark of Audit Plan Changes

Audit Work Plan Changes as a Result of COVID-19



Office of Internal Audit

COVID-19 Benchmark Audit Plan Impacts

Peer Benchmark of Audit Plan Changes

Identified new internal audit project areas peer institutions plan to complete, or are considering, as a result of the COVID-19 pandemic.

<u>Project Area</u>	<u>Percent Responding</u>
CARES Act funding	21%
Cybersecurity	16%
Procurement and vendor management	13%
Expense management and cost control	11%
Business continuity planning	11%
Fraud	11%
Health and safety	9%
Remote learning management	5%
Other	3%

Office of Internal Audit

COVID-19 Pandemic Work Plan Adaptation

- The OIA goal is to attain completion of all projects defined within the *Fiscal Year 2020/2021 Work Plan*; however, the impact on certain areas of campus operations slated for internal audit activity has been adversely impacted by the COVID-19 pandemic.
- Planned engagements in the areas of Foreign Influence, Dean of Students, and some NCAA Compliance audits may not be completed.
- Student Affairs and Athletics have experienced adverse student-related impacts, affecting campus operations and are heavily consumed in maintaining operations during the pandemic, with the resulting environment potentially presenting an inopportune time for internal audit activity to occur.
- Audit efforts supporting pandemic relief funding have significantly increased requiring more audit hours than initially planned.
- Staffing compliment of the OIA remains consistent, comprising the chief audit officer, six auditors, and a part-time office manager/audit assistant.

Questions/Comments



• *the* CAMPAIGN *for* CAROLINA •

David S. Routh

Vice Chancellor for Development

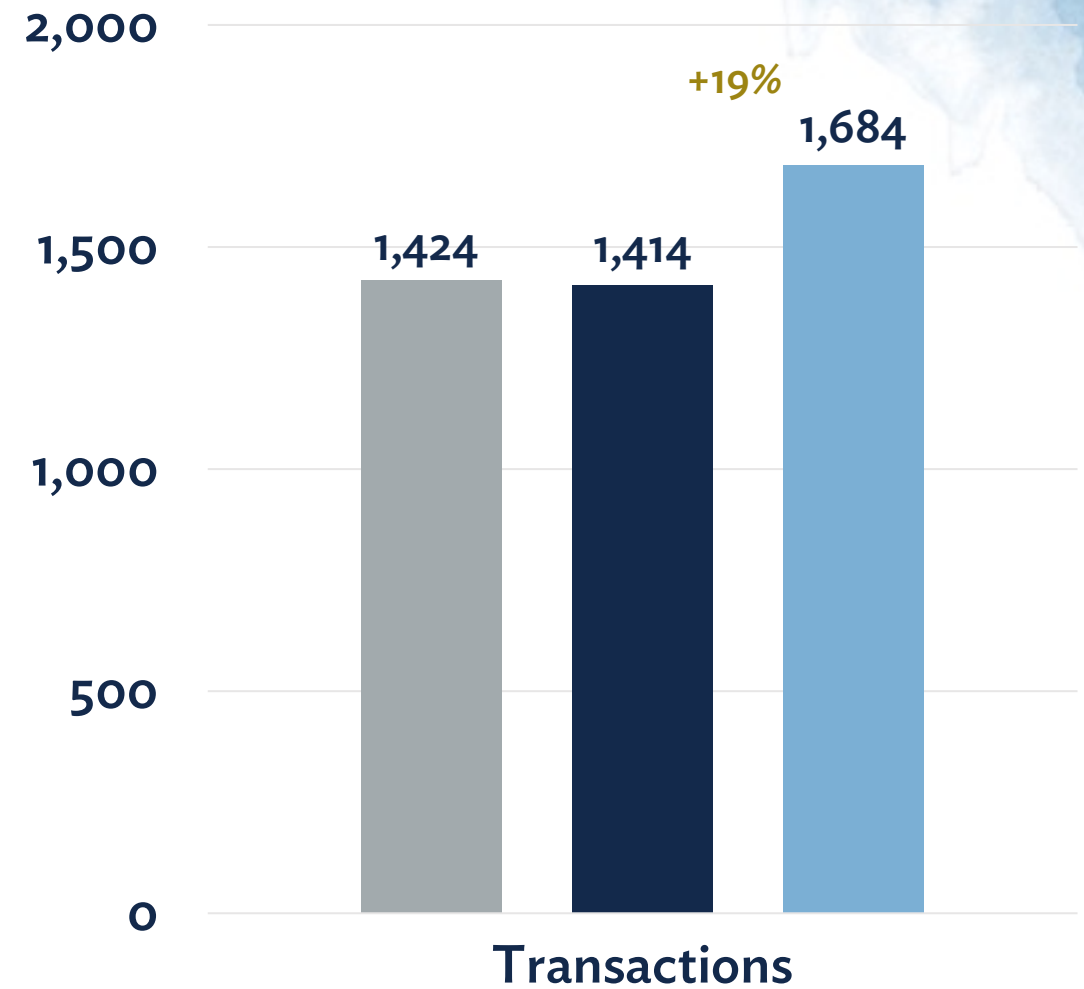
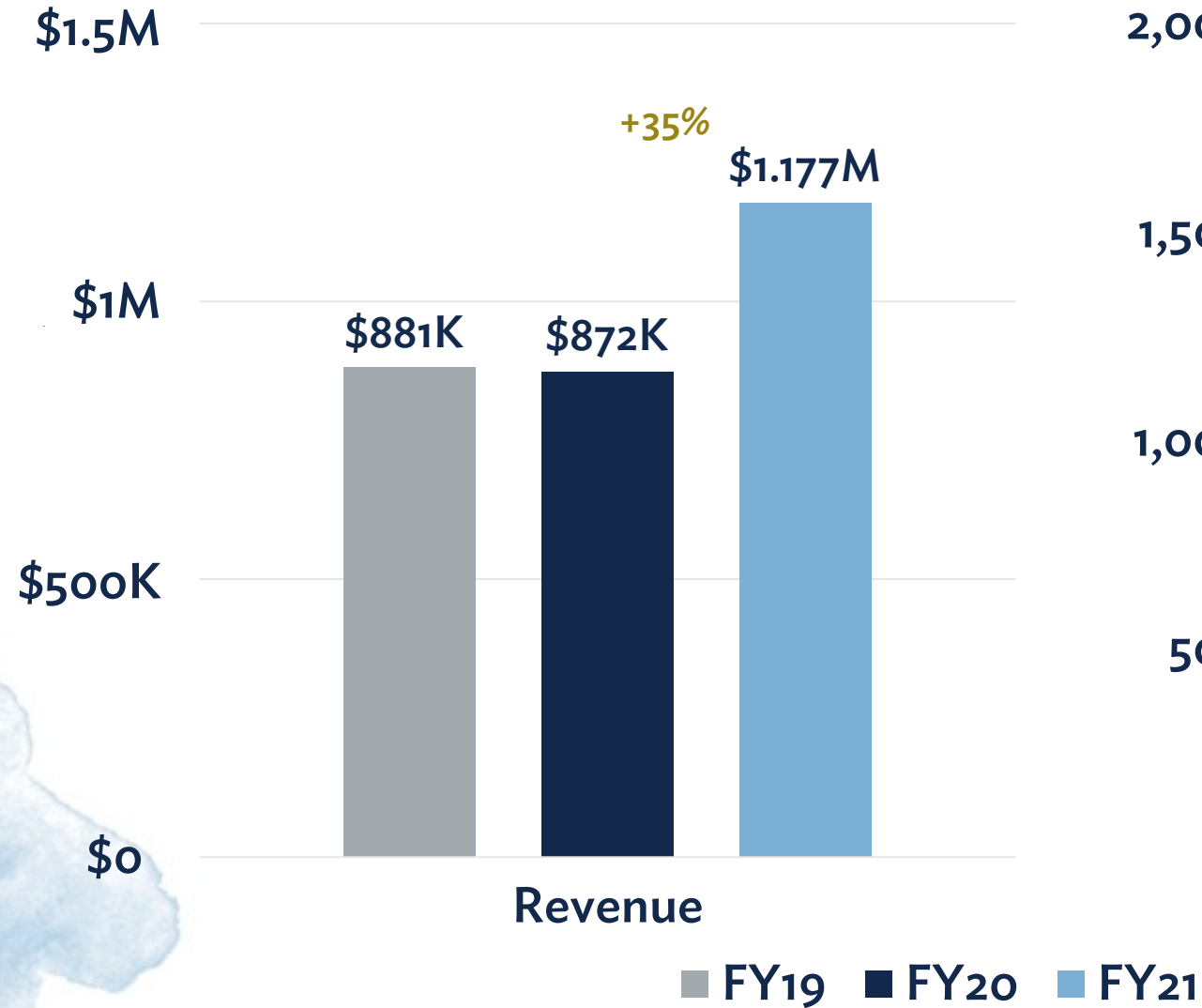


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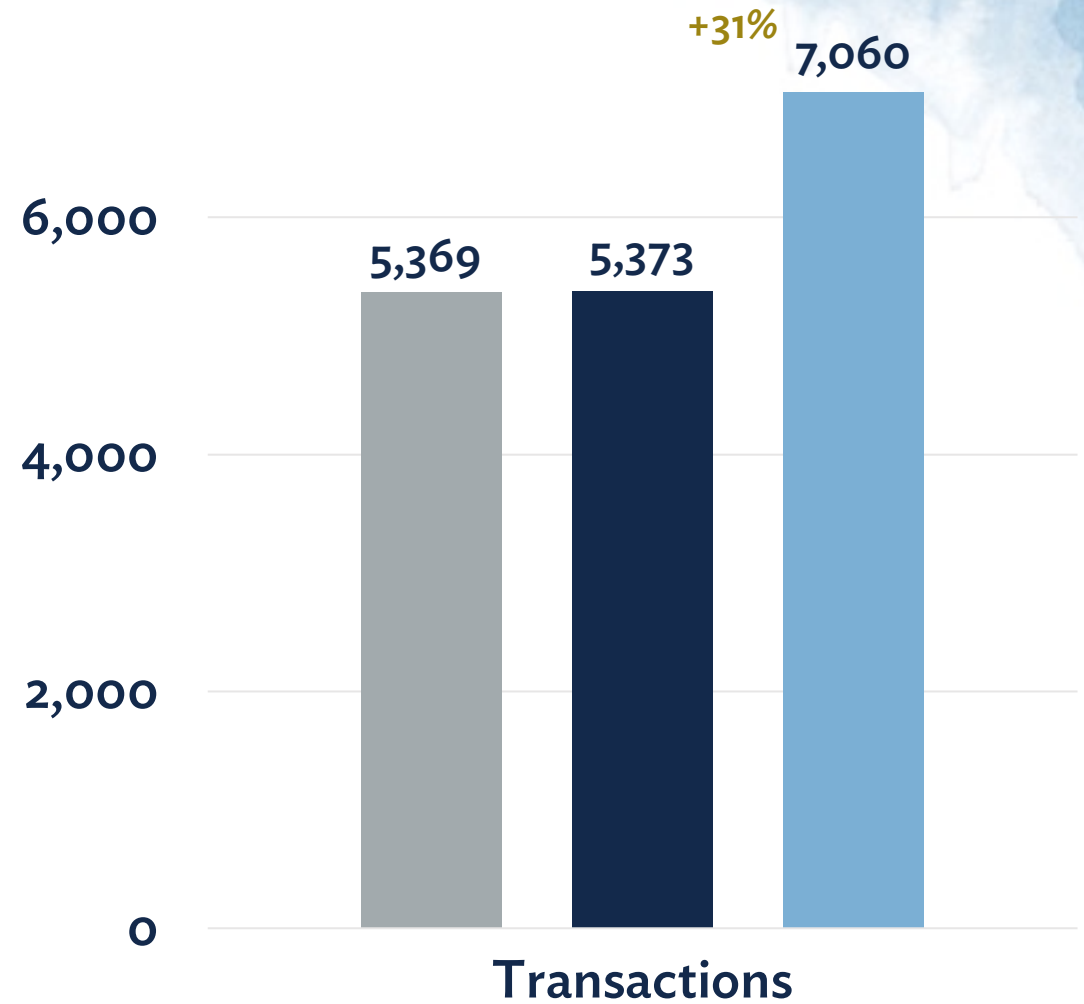
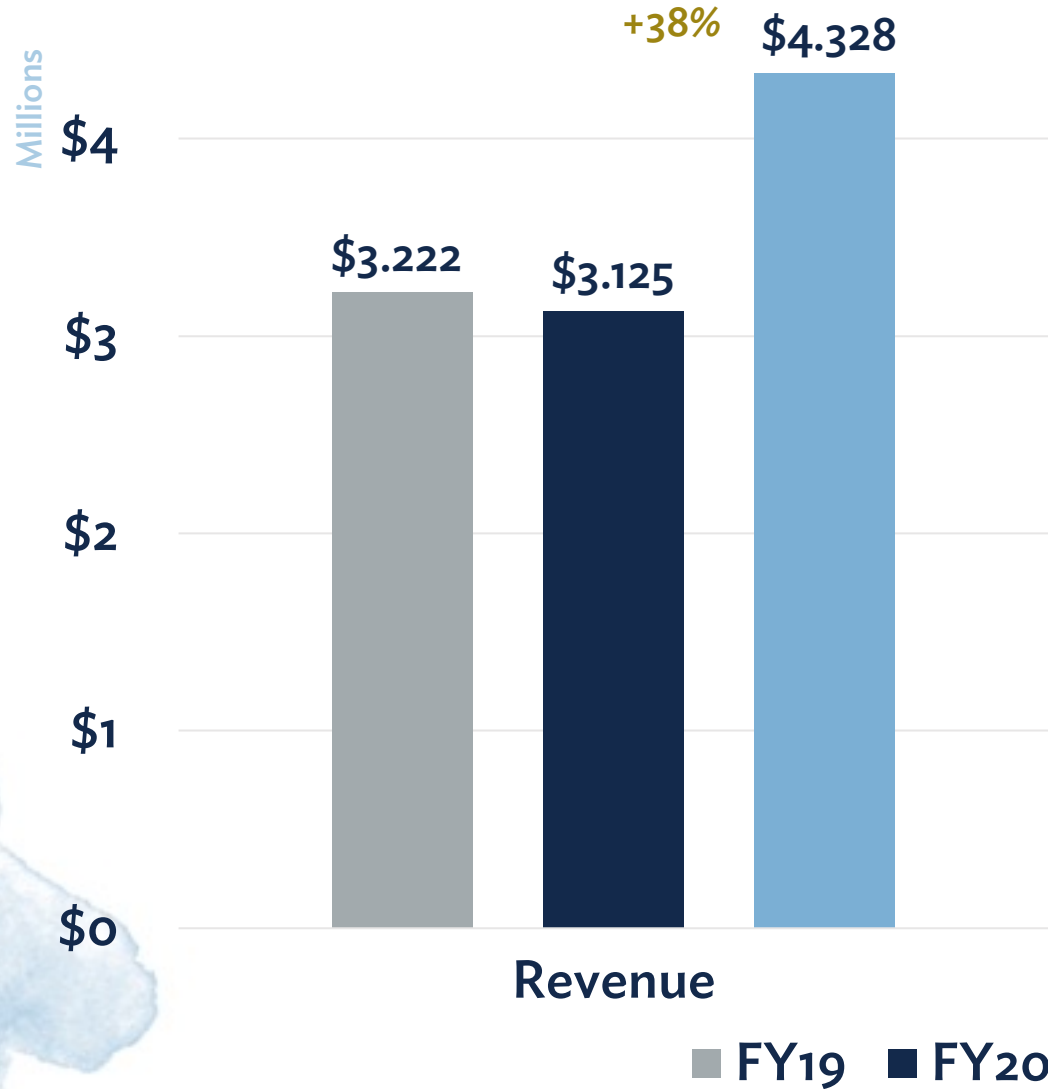
DAYS REMAINING IN CAMPAIGN

• the CAMPAIGN for CAROLINA •

Dec. 31 Online Giving



December Online Giving





Impact

Chancellor's Science Scholars

3 new gifts totaling \$1.4M



Impact

Private Assets Gifts Strategy Success

A 7-figure gift to support scholarships & fellowships

KEL LANDIS

1956-2021



Impact

UNC Program for Public Discourse

New \$6.1M gift from Nancy and Doug Abbey



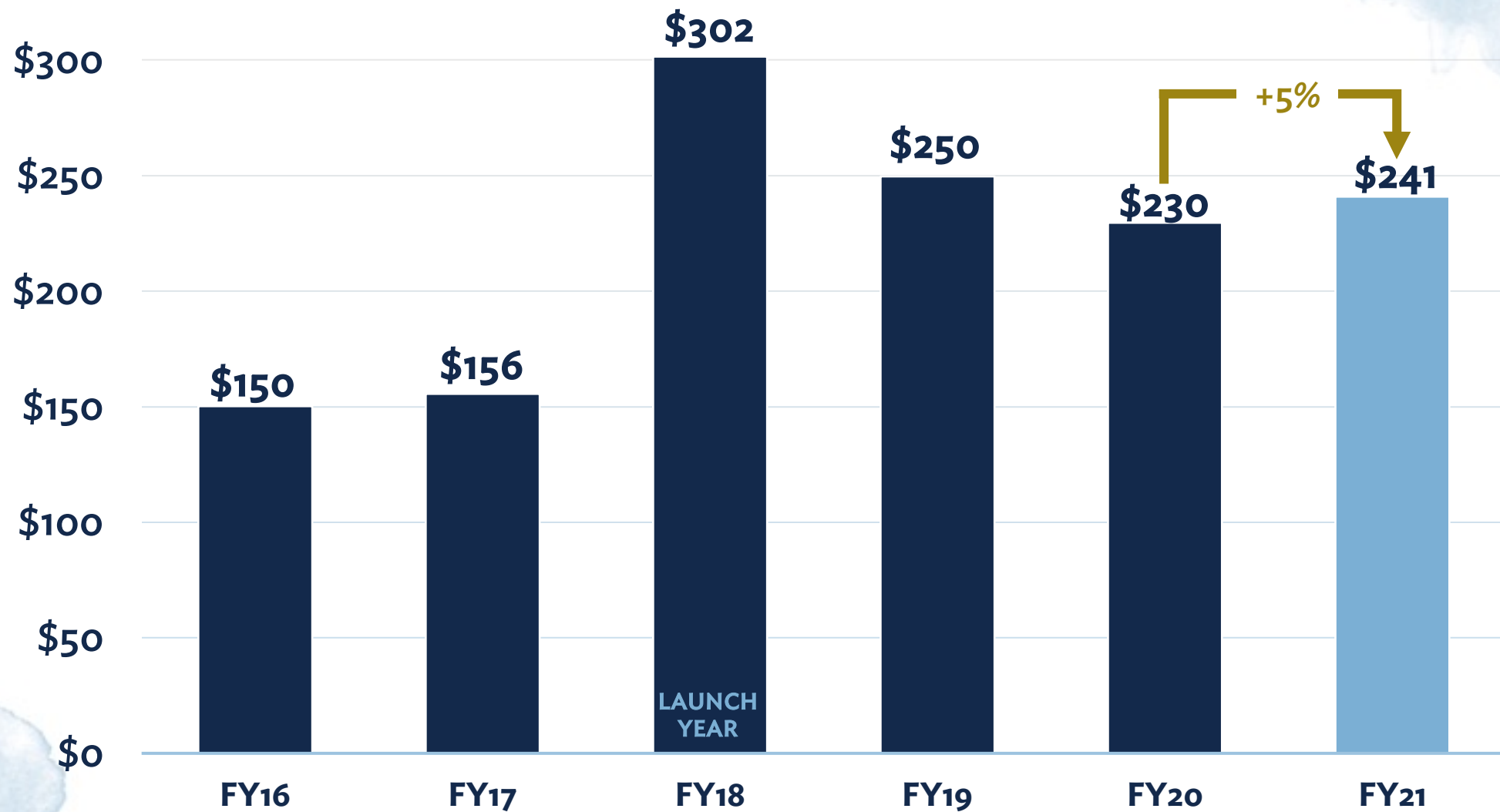
Impact



New Study-Abroad Scholarship

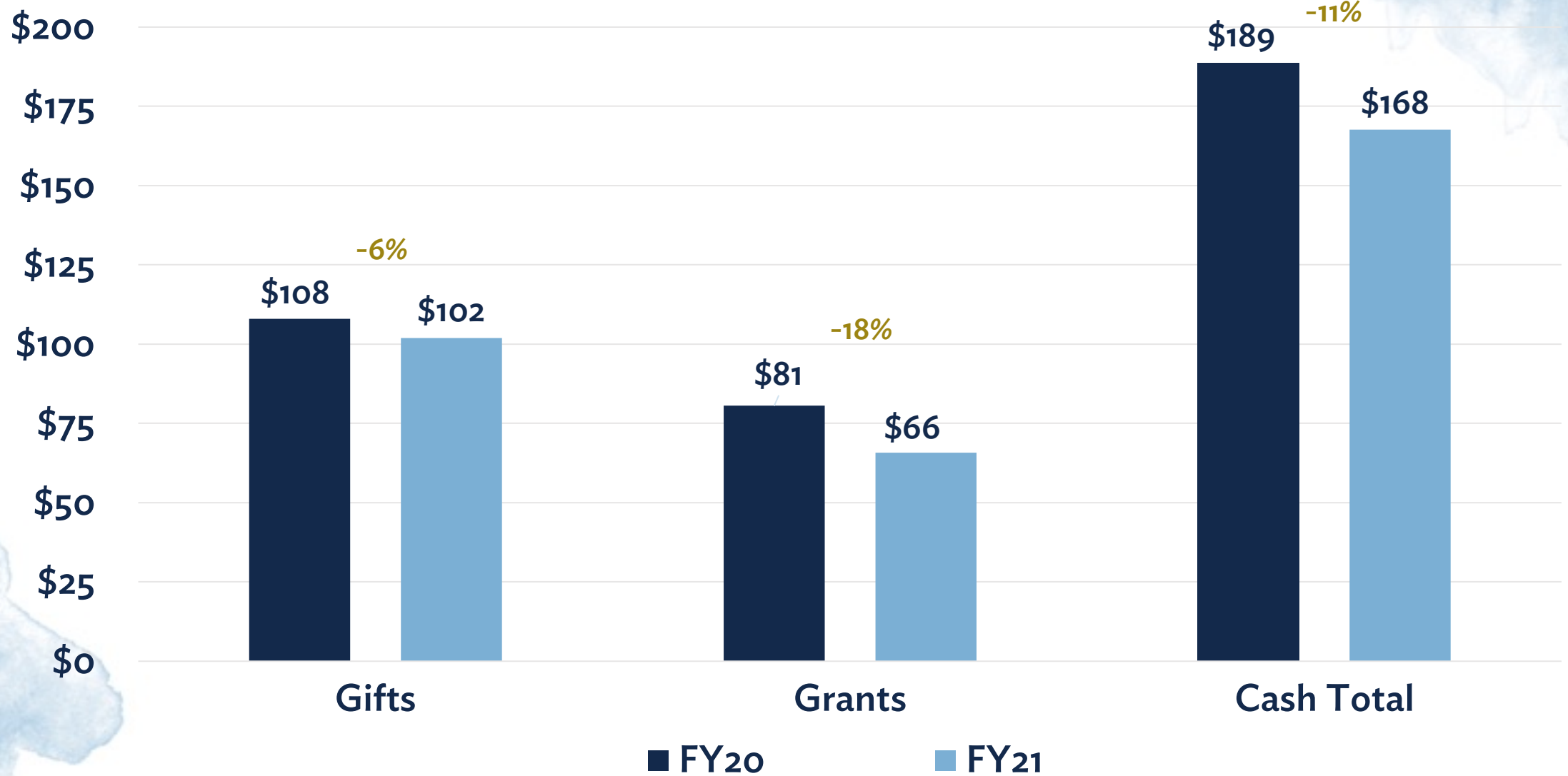
A special gift

New Cash & Commitments Totals *As of 1.11.2020*



Amounts in millions

Cash Totals *As of 1.11.2021*



Amounts in millions

• the CAMPAIGN for CAROLINA •

Campaign Dashboard

DATA AS OF Jan. 11, 2021

\$3,598,916,021
TOTAL CAMPAIGN ACTIVITY

PERCENT TO
GOAL

85%

TIME
ELAPSED

75%

MONTHS
AHEAD

9.2

TOTAL
DONORS

189,315

ALUMNI
PARTICIPATION

23%

Campaign Pillars



\$1.27B

THE NEW
GRADUATE

\$510M

THE 21ST C.
PROFESSORiate

\$1.79B

A CULTURE
OF INNOVATION

\$1.59B

SIGNATURE
INITIATIVES

Unit Progress

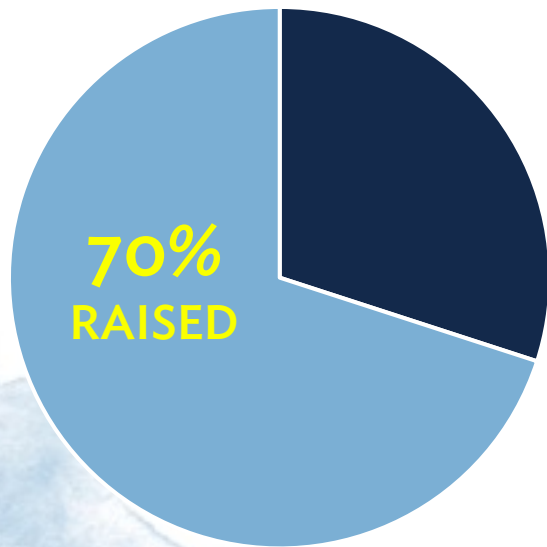
		Goal
ACK	40%	\$250M
▶ ASD	106%	\$70M
ATHL	75%	\$500M
CAS	76%	\$750M
▶ CCPS	114%	\$6M
CPA	97%	\$25M
EDU	54%	\$35M
ESOP	97%	\$175M
GOV	67%	\$50M
GRAD	77%	\$10M
GSGPH	98%	\$200M
HEALTH	91%	\$1B
▶ HSJM	100%	\$75M
IE	65%	\$12M
KFBS	78%	\$400M
LAW	74%	\$75M
LIB	89%	\$50M
MCF	99%	\$75M
MPSC	92%	\$20M
NCBG	82%	\$30M
▶ NRI	118%	\$3M
▶ NURS	107%	\$22M
OSSA	47%	\$400M
SAFF	68%	\$15M
▶ SILS	124%	\$20M
SSW	58%	\$23M
▶	Has met goal.	

Acronyms key available online at:
<https://unc.live/acronyms>

Signature Initiatives

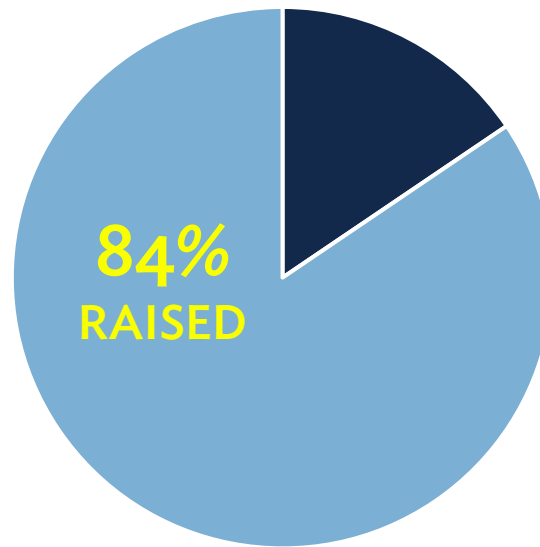
PROGRESS TO GOAL *as of 1.11.2021*

CAROLINA EDGE



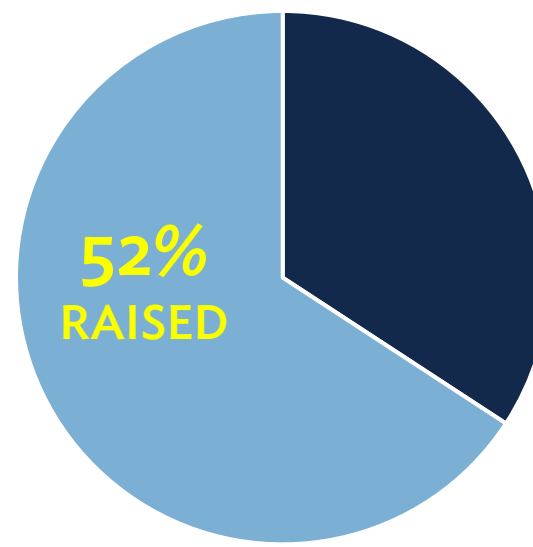
\$1B GOAL

CONVERGENT SCIENCE



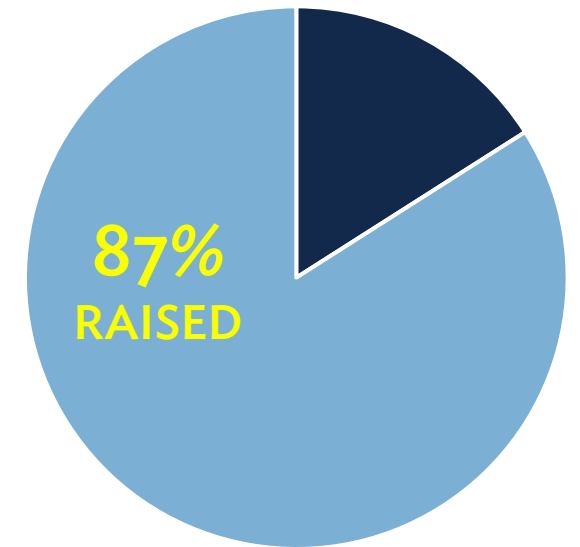
\$350M GOAL

ARTS EVERYWHERE



\$350M GOAL

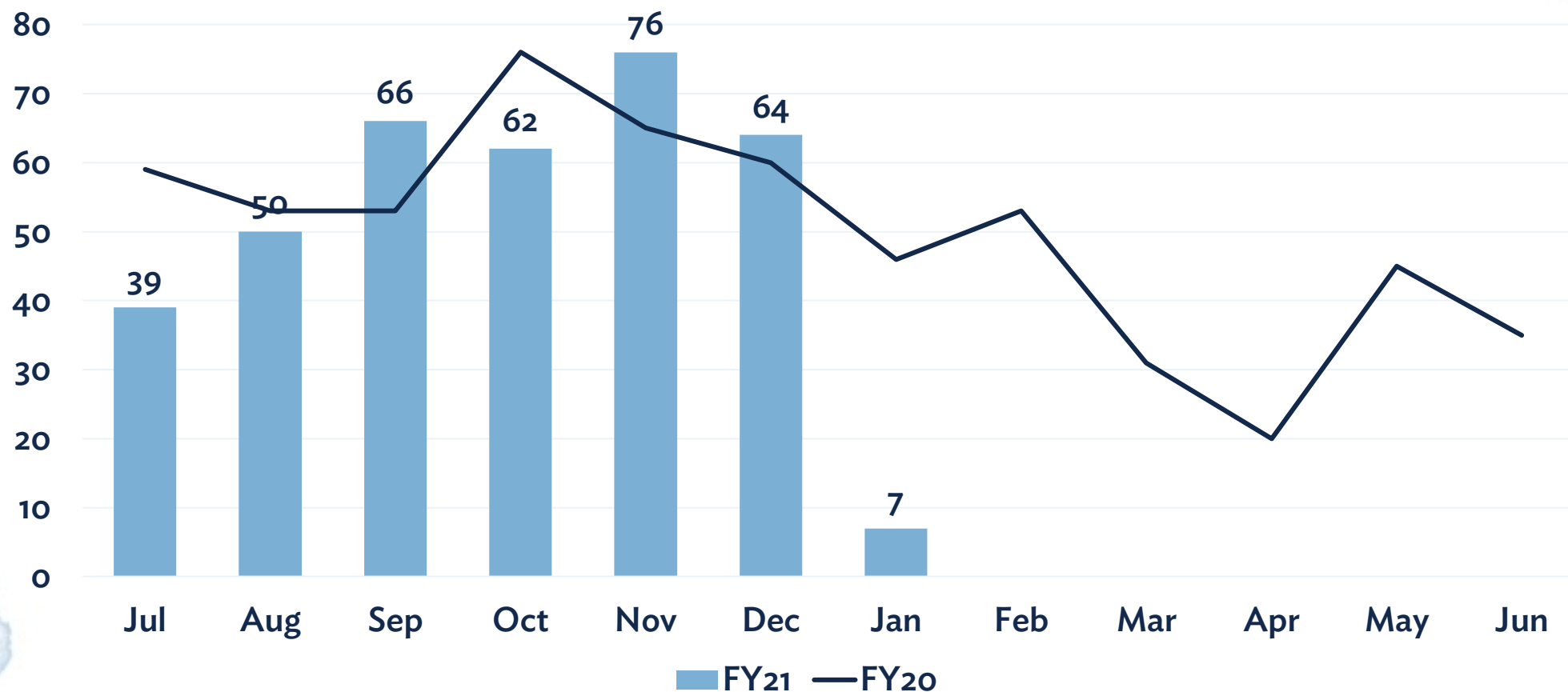
GLOBAL MINDSET



\$300M GOAL

Proposals Presented

\$100K+



Through 1.13.2020



Impact



KEL LANDIS

1956-2021

Private Assets Gifts Strategy Success

A 7-figure gift to support scholarships & fellowships



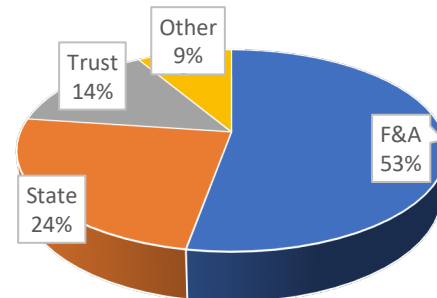
Real Estate Operations Board of Trustees January 27-28, 2021

- 2021 Mid-Fiscal Year Lease Review

Mid FY 2021 Lease Review

Space Use Type	Count	SF	2020 Ann. Rent	2021 Forecast
Other	3	10,051,847	\$17,923	\$18,018
Academic	2	12,042	\$41,004	\$105,505
Retail	1	2,218	\$55,450	\$0
Residential	37	37,230	\$474,389	\$474,389
Clinic	12	36,325	\$727,953	\$730,511
Laboratory	4	131,054	\$3,475,462	\$3,459,324
Office	60	488,389	\$12,912,161	\$12,683,594
Grand Total	119	10,759,105	\$17,704,341	\$17,471,340

2020 Lease Expense Funding Sources



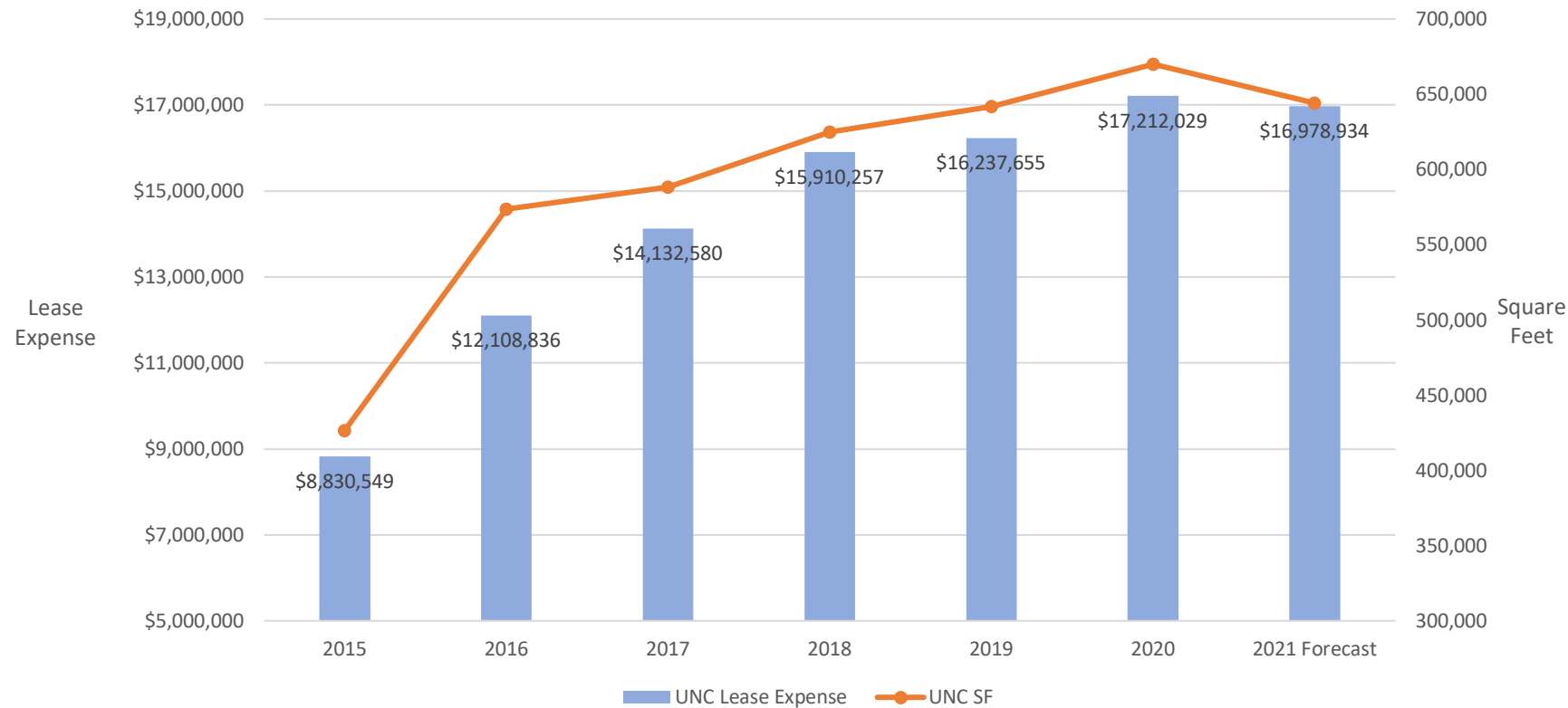
- Vacated
 - 12k sf at Europa Center as Sheps Center moved into renovated 725 MLK (endowment owned).
 - 2.4k sf at 109 Church Street
 - 2.3k sf at 109 E. Franklin
 - 4.3k sf at 6 Davis Drive
- Added:
 - 21k sf at Carolina Square, expense to begin in 2021
 - 11 SF at 108 E. Franklin, expense to begin in 2021
- Opportunities:
 - Planning for consolidation of SCE into campus space out of 18k sf of leased space

Users of Leased Space

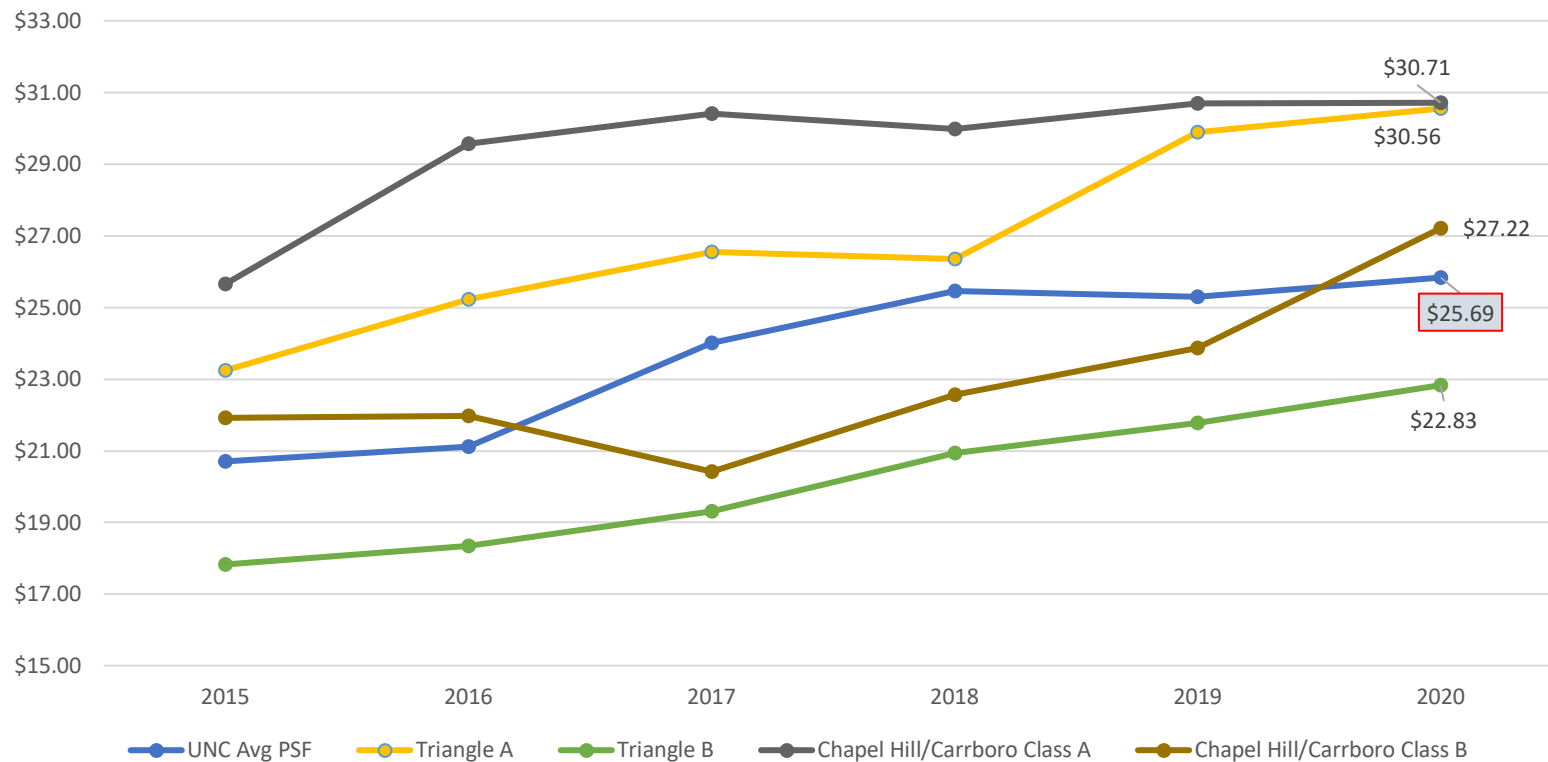
School/Division	Count	RSF	2020 Annualized Rent	2021 Forecast
North Carolina Botanical Garden	1	250	\$0	\$0
School of Journalism and Mass Communication	1	1,410	\$41,004	\$41,004
Communications Department	2	17,312	\$41,995	\$42,089
School of Education	1	2,797	\$53,587	\$53,587
School of Pharmacy	2	7,688	\$55,800	\$72,950
School of Law	2	3,000	\$57,084	\$51,539
School of Social Work	1	4,453	\$99,698	\$100,695
College of Arts and Sciences	3	10,034,677	\$124,363	\$190,843
Vice Chancellor for IEED	2	6,669	\$129,414	\$83,147
Chancellor's Office	4	9,163	\$187,793	\$133,547
Vice Chancellor for Workforce Strategy, Equity and Engagement	1	6,927	\$193,088	\$193,571
Provost Office	4	13,111	\$295,117	\$300,360
Office of University Development	3	15,919	\$338,591	\$344,260
Division of Finance and Operations	1	17,864	\$442,334	\$331,750
School of Medicine	66	179,271	\$3,463,288	\$3,473,907
School of Public Health	7	167,528	\$4,843,566	\$4,849,282
Vice Chancellor for Research	18	271,066	\$7,337,619	\$7,208,810
Grand Total	119	10,759,105	\$17,704,341	\$17,471,340

Forecast to reduce lease expense in 2021 by \$200k

UNC Commercial Lease Portfolio Trends



UNC Avg PSF Office Rent Rate = \$25.69



UN = University Non-appropriated
 SA = State appropriation
 RR = Repair & renovation
 SB = State bond
 GI = Gifts
 COPS = Cert. of Participation Bond
 UNCH = UNC Healthcare

R = Renovation
 NC = New
 Construction
 LEGEND P = Planning study

PROJECTS COMPLETED SINCE LAST REPORT**Sub-Total: \$ 52,076,224**

CIP#	Project Name	Const. Type	Fund Source	Spending Authority	\$/SF	Phase Start	Phase Complete
707	Carrington Hall Abate Asbestos, Replace Wall, floor, Lighting	R	SA/RR	\$ 426,600	\$ 119	5/2/2019	7/31/2020
FSP17235	Cardinal-Dogwood Parking Deck Repairs	R	UN	\$ 485,000	N/A	7/24/2019	8/1/2020
736	Genome Sciences Building- Café & Commons Renovation	R	UN	\$ 492,000	\$ 100	11/21/2019	7/31/2020
700	High Frequency Throughput Sequencing Facility Relocation	R	UN	\$ 675,000	\$ 150	7/24/2019	7/31/2020
668	Burnett Womack- 4th Floor Renovation	R	UN	\$ 976,677	\$ 150	5/25/2018	7/31/2020
664	Lineberger Cancer Center- Faculty Recruitment Lab Renovation	R	UN	\$ 1,400,000	\$ 300	4/29/2019	9/1/2020
693	NRB MBRB Vivarium Enabling Project Renovations	R	UN	\$ 4,000,000	\$ 275	11/12/2018	11/1/2020
UNC-H	Ambulatory Care Center – Musculoskeletal Enhancement Service	R	UNCH	\$ 7,177,219	\$ 177	8/1/2018	10/1/2020
607	Beard Hall	R	UN	\$ 9,713,728	\$ 275	8/2/2018	12/1/2020
644	Medical Education Bldg- Berryhill Vivarium Migration	R	UN/SB	\$ 26,730,000	\$ 776	3/2/2018	8/1/2020

UN = University Non-appropriated
 SA = State appropriation
 RR = Repair & renovation
 SB = State bond
 GI = Gifts
 COPS = Cert. of Participation Bond
 UNCH = UNC Healthcare

R = Renovation
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 Construction
 LEGEND P = Planning study

PROJECTS IN CONSTRUCTION**Sub-Total: \$ 179,135,516**

CIP#	Project Name	Const. Type	Fund Source	Spending Authority	\$/SF	Phase Start	Phase Complete
706	Replace Fire Alarm- Dey Hall, Hanes Hall, 134 East Franklin	R	SA, RR	\$ 148,000	N/A	2/1/2020	5/1/2021
702	Morehead Planetarium and Science Center Roof Repair	R	SA/RR	\$ 250,000	N/A	4/26/2019	2/1/2021
20022	MMRC Relocation to MBRB	R	UN	\$ 290,000	N/A	6/1/2020	2/1/2021
698	Koury Dental Tarrson Hall Amalgam Separator & Receiver	R	SA/RR	\$ 300,000	N/A	12/17/2019	5/1/2021
724	Cardinal-Dogwood Parking Deck - Emergency Elevator Replacement	R	UN	\$ 350,000	N/A	1/6/2020	3/1/2021
725	Knapp-Sanders - Emergency Elevator Replacement	R	SA/RR	\$ 350,000	N/A	1/6/2020	5/1/2021
676	Foundation Water Proofing - Ackland Art Museum	R	SA/RR	\$ 400,000	N/A	3/12/2018	3/15/2021
704	Art Lab HVAC and Electrical Systems Improve & Modify Restroom	R	SA/RR	\$ 1,220,000	N/A	3/25/2019	3/1/2021
669	UNC Parking Decks- LED Lighting Safety Upgrades	R	UN	\$ 1,500,000	N/A	12/1/2019	2/1/2021
712	Morehead Chemistry Teaching Labs	R	UN	\$ 1,600,000	\$ 250	5/22/2019	3/1/2021
663	Marsico Hall – Mech, Elec, and Plmb Upfits & Recommissioning	R	COPS	\$ 2,300,000	N/A	2/26/2019	5/1/2021
623	Wilson Library Slate Roof, Dome Roofing Replacement, Envelope Repair	R	SA/RR	\$ 2,645,000	N/A	10/26/2018	2/1/2021
731	Marsico BRIC 3T MRI	R	UN	\$ 3,100,000	N/A	5/1/2020	3/1/2021
20312	McGavran-Greenberg- Renovation to Containment Space	R	UN	\$ 4,100,000	N/A	N/A	3/1/2021
630	Odum Village - Demolition of Multifamily Units	R	UN	\$ 5,139,000	N/A	11/1/2019	7/31/2021
672	School of Media & Journalism - Media & Communication Studio	NC	UN	\$ 10,400,000	\$ 500	2/1/2020	12/31/2021
690	Parking Deck at S1 Lot	NC	UN	\$ 14,443,516	\$ 110	4/1/2018	12/31/2021
739	Morehead Chemistry HVAC Renovation - Emergency Declaration	R	UN	\$ 22,000,000	N/A	12/1/2019	8/1/2021
633	Medical Education Building Replacement	NC	SB	\$ 108,600,000	\$ 450	3/1/2020	8/1/2022

UN = University Non-appropriated
 SA = State appropriation
 RR = Repair & renovation
 SB = State bond
 GI = Gifts
 COPS = Cert. of Participation Bond
 UNCH = UNC Healthcare

R = Renovation
 NC = New
 Construction
 LEGEND P = Planning study

PROJECTS IN DESIGN**Sub-Total: \$ 222,232,360**

CIP#	Project Name	Const. Type	Fund Source	Spending Authority	\$/SF	Phase Start	Phase Complete
733	Energy Management Contols System Upgrade	R	UN	\$ 180,000	N/A	N/A	5/1/2021
678	Replace Electrical Switchgear - Mitchell Hall, Dey Hall	R	SA, RR	\$ 200,000	N/A	2/1/2020	3/1/2021
727	Campus Wide Parking Repairs	R	UN	\$ 200,000	N/A	3/1/2020	12/1/2021
21026	Emergency Generator Replacement - Public Safety Building	R	RR	\$ 200,000	N/A	N/A	8/1/2021
744	Parking Deck and Lot Camera Upgrades	R	UN	\$ 300,000	N/A	2/1/2020	5/1/2021
20343	FOBRL North HVAC Improvements	R	UN	\$ 300,000	N/A	N/A	3/1/2021
697	Hwy 54 Park & Ride Lot Stormwater Pond Repair & Retrofit	R	UN	\$ 350,000	N/A	7/10/2018	2/1/2021
710	Tarrson Hall Medical Gas Alarm System	R	UN	\$ 450,000	N/A	2/28/2019	5/1/2021
21016	HVAC Upgrades to Academic Buildings	R	RR	\$ 470,000	N/A	N/A	8/1/2021
722	Cameron Cogeneration Facility Envelope Repairs	R	UN	\$ 475,000	N/A	N/A	N/A
20177	Cardinal-Cobb-Dogwood Parking Deck Repairs	R	UN	\$ 485,550	N/A	N/A	6/1/2021
699	Copper Telecommunication Replacement Phase 1	R	SA/RR	\$ 500,000	N/A	12/16/2019	3/1/2021
708	Kenan Labs- Replace Main Distribution Electrical Panel	R	SA/RR	\$ 750,000	N/A	1/6/2020	2/1/2021
619	Install Fire Alarm Panels in (4) Buildings	R	SA/RR	\$ 811,500	N/A	N/A	N/A
684	Kenan Stadium – Fire Alarm Upgrades	R	UN	\$ 1,060,000	N/A	N/A	N/A
677	Supplement to Replace Laboratory Ventilation System Morehead Lab	R	SA	\$ 1,250,000	N/A	4/24/2019	9/1/2020
715	National Pan-Hellenic Council Garden	NC	GI	\$ 1,400,000	N/A	6/1/2020	1/15/2021
645	Horace William Airport Property Solar and Energy Storage Demo	NC	UN	\$ 1,700,310	N/A	8/1/2019	11/1/2020
588	Campus Safety Upgrades	R	UN	\$ 4,750,000	N/A	5/1/2019	12/31/2020
713	Classroom Renewal	R	UN	\$ 5,000,000	N/A	3/1/2020	1/15/2021
749	Fire Alarm Radio Mesh Network	R	UN	\$ 6,400,000	N/A	3/1/2020	1/1/2021
20350	Carrington Hall Renovations	NC	UN	\$ 45,000,000	\$ 78	9/1/2020	9/1/2021
666	Kenan-Flagler School of Business- McColl Bldg Addition & Renovation	NC	SA	\$ 150,000,000	N/A	8/1/2020	11/1/2021

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 COPS = Cert. of Participation Bond
 UNCH = UNC Healthcare

R = Renovation
 NC = New
 Construction
 LEGEND P = Planning study

PROJECTS ON HOLD- INACTIVE**Sub-Total: \$ 198,852,677**

CIP#	Project Name	Const. Type	Fund Source	Spending Authority	\$/SF	Phase Start	Phase Complete
696	School of Dentistry Pipe Remediation	R	UN	\$ 150,000	N/A	N/A	N/A
665	Marsico Quad Improvements	R	COPS	\$ 200,000	N/A	N/A	N/A
586	South Building Accessibility Improvements	R	UN	\$ 319,700	N/A	N/A	N/A
21013	FOBRL South HVAC Improvements	R	UN	\$ 325,000	N/A	N/A	N/A
20101	Womens Basketball Renovations - Phase III	R	UN	\$ 400,000	N/A	N/A	N/A
20140	OEC- Club House Renovation for Get Real & Heel	R	UN	\$ 400,000	N/A	N/A	N/A
658	Science Complex III & Institute of Convergent Science (Advance Planning)	NC	UN	\$ 500,000	N/A	N/A	N/A
653	Taylor Air Flow Reduction Energy Project	R	UN	\$ 580,000	N/A	N/A	N/A
20103	House Undergraduate Library - CSSAC Renovations	R	UN	\$ 600,000	N/A	N/A	N/A
541	Sitterson Bus Stop	R	UN	\$ 700,000	N/A	N/A	N/A
742	Womens Basketball Renovations - Phase II	R	UN	\$ 750,000	N/A	N/A	N/A
681	Carmichael Residence Hall Deck	NC	UN	\$ 849,660	N/A	N/A	N/A
688	Chase Hall- Second Floor Renovation	R	UN	\$ 980,247	N/A	N/A	N/A
20100	Avery Residence Hall Renovations	R	UN	\$ 1,000,000	N/A	N/A	N/A
716	Lenoir Outdoor Dining Improvements	NC	UN	\$ 1,200,000	N/A	N/A	N/A
654	Thurston Bowles Air Flow Reduction Energy Project	R	UN	\$ 1,650,000	N/A	N/A	N/A
514	Campus Way-Finding Signage	NC	UN	\$ 2,466,250	N/A	N/A	N/A
606	Energy Services Utility Imprvment in Academic Affairs Area	R	UN	\$ 14,023,659	N/A	N/A	N/A
714	School of Dentistry New Programs	R	UN/SB	\$ 15,000,000	N/A	N/A	N/A
659	Translational Research Building	NC	UN	\$ 19,000,000	N/A	N/A	N/A
603	Wilson Hall Annex	R	UN	\$ 31,450,173	N/A	N/A	N/A
547	Power Generation & Chilled Water Plant Addition	NC	UN	\$ 106,307,988	N/A	N/A	N/A

SUMMARY OF MAJOR CAPITAL IMPROVEMENT ACTIVITY:

	Quantity	\$ Value
Completed since 1/2020	10	\$ 52,076,224
In Construction	19	\$ 179,135,516
In Design	23	\$ 222,232,360
On Hold	22	\$ 198,852,677

HISTORICAL RECORD OF ACTIVITY:

UNDER CONSTRUCTION				IN DESIGN			
Year	Month	No. of Projects	Dollar Value	No. of Projects		Dollar Value	
1987	July	13	\$ 26,817,520	25	\$	210,316,100	
1988	Jan	12	\$ 42,354,520	26	\$	222,477,900	
1988	July	14	\$ 61,721,870	34	\$	254,328,430	
1989	Jan	15	\$ 157,882,770	40	\$	168,321,630	
1989	July	20	\$ 158,003,370	29	\$	170,550,730	
1990	Jan	18	\$ 153,331,770	34	\$	174,785,500	
1990	July	14	\$ 161,479,980	29	\$	165,398,600	
1991	Jan	10	\$ 191,489,780	26	\$	147,486,500	
1991	July	11	\$ 202,564,380	28	\$	132,000,800	
1992	Jan	9	\$ 193,656,480	31	\$	123,015,800	
1992	July	16	\$ 196,850,380	25	\$	132,470,400	
1993	Jan	15	\$ 178,790,400	27	\$	137,062,000	
1993	July	9	\$ 91,072,000	21	\$	121,141,100	
1994	Jan	6	\$ 90,707,300	33	\$	154,615,300	
1994	July	15	\$ 101,999,300	28	\$	147,370,700	
1995	Jan	13	\$ 66,320,700	52	\$	175,385,600	
1995	July	14	\$ 101,192,800	46	\$	164,311,800	
1996	Jan	11	\$ 89,901,800	67	\$	246,980,600	
1996	July	17	\$ 92,701,100	61	\$	299,168,300	
1997	Jan	19	\$ 131,072,400	63	\$	282,872,700	
1997	July	37	\$ 235,425,600	44	\$	223,235,350	
1998	Jan	33	\$ 158,837,100	50	\$	278,691,575	
1998	July	36	\$ 183,705,300	43	\$	285,946,375	
1999	Jan	26	\$ 153,298,200	42	\$	314,955,275	
1999	July	20	\$ 175,689,300	44	\$	374,499,175	
2000	Jan	18	\$ 173,787,000	38	\$	380,677,875	
2000	July	20	\$ 171,732,100	44	\$	402,994,475	
2001	Jan	20	\$ 265,311,575	56	\$	255,342,400	
2001	July	30	\$ 277,577,875	57	\$	509,245,260	
2002	Jan	28	\$ 282,315,475	51	\$	533,569,700	
2002	July	25	\$ 297,186,000	51	\$	533,569,700	
2003	Jan	18	\$ 246,220,200	52	\$	700,266,390	
2003	July	15	\$ 239,095,165	58	\$	677,135,478	
2004	Jan	18	\$ 345,073,797	59	\$	607,602,868	
2004	July	24	\$ 435,597,765	61	\$	837,011,823	
2005	Jan	32	\$ 540,484,649	77	\$	997,282,175	
2005	July	42	\$ 604,951,066	62	\$	848,018,466	
2006	Jan	39	\$ 606,059,278	50	\$	681,154,808	
2006	July	36	\$ 753,387,157	55	\$	697,916,808	
2007	Jan	39	\$ 493,513,761	60	\$	729,086,980	
2007	July	38	\$ 559,519,076	50	\$	586,321,980	
2008	Jan	29	\$ 510,723,322	46	\$	733,693,000	
2008	July	27	\$ 570,815,114	51	\$	715,328,000	
2009	Jan	25	\$ 429,973,546	47	\$	906,213,000	
2009	July	24	\$ 633,089,281	40	\$	577,740,422	
2010	Jan	18	\$ 600,252,605	22	\$	409,120,032	
2010	July	18	\$ 618,429,022	32	\$	539,620,032	
2011	Jan	15	\$ 605,745,206	30	\$	474,190,032	
2011	July	19	\$ 802,905,823	28	\$	292,000,000	
2012	Jan	15	\$ 742,125,183	28	\$	313,100,000	
2012	July	17	\$ 655,508,823	31	\$	309,600,000	
2013	Jan	12	\$ 550,585,206	34	\$	389,726,000	
2013	July	10	\$ 311,575,000	34	\$	334,449,095	
2014	Jan	9	\$ 338,372,095	45	\$	337,177,000	
2014	July	14	\$ 349,553,714	42	\$	376,843,592	
2015	Jan	19	\$ 377,846,839	50	\$	423,639,550	
2015	July	17	\$ 365,166,669	48	\$	304,163,543	
2016	Jan	12	\$ 333,622,316	46	\$	324,057,991	
2016	July	29	\$ 434,745,367	43	\$	341,359,544	
2017	Jan	18	\$ 175,227,717	37	\$	372,416,500	
2017	July	22	\$ 266,078,688	32	\$	349,812,207	
2018	Jan	18	\$ 274,080,528	29	\$	344,807,071	
2018	July	19	\$ 304,079,288	52	\$	310,406,734	
2019	Jan	20	\$ 286,371,191	62	\$	346,795,502	
2019	July	23	\$ 119,661,515	51	\$	394,369,547	
2020	Jan	34	\$ 229,924,428	29	\$	82,968,126	
2020	July	27	\$ 43,307,804	14	\$	227,101,740	
2021	Jan	19	\$ 179,135,516	23	\$	222,232,360	

Board of Trustees Finance, Infrastructure and Audit Committee

Capital Improvements Projects
Facilities Services
January 2021

Medical Education Building

PROJECT
LOCATION



2019 CAMPUS MASTER PLAN

Medical Education Building



CONSTRUCTION PROGRESS PHOTO – DECEMBER 21, 2020

Curtis Media Center

PROJECT
LOCATION



2019 CAMPUS MASTER PLAN



Curtis Media Center



CONSTRUCTION PROGRESS PHOTO – JANUARY 15, 2021

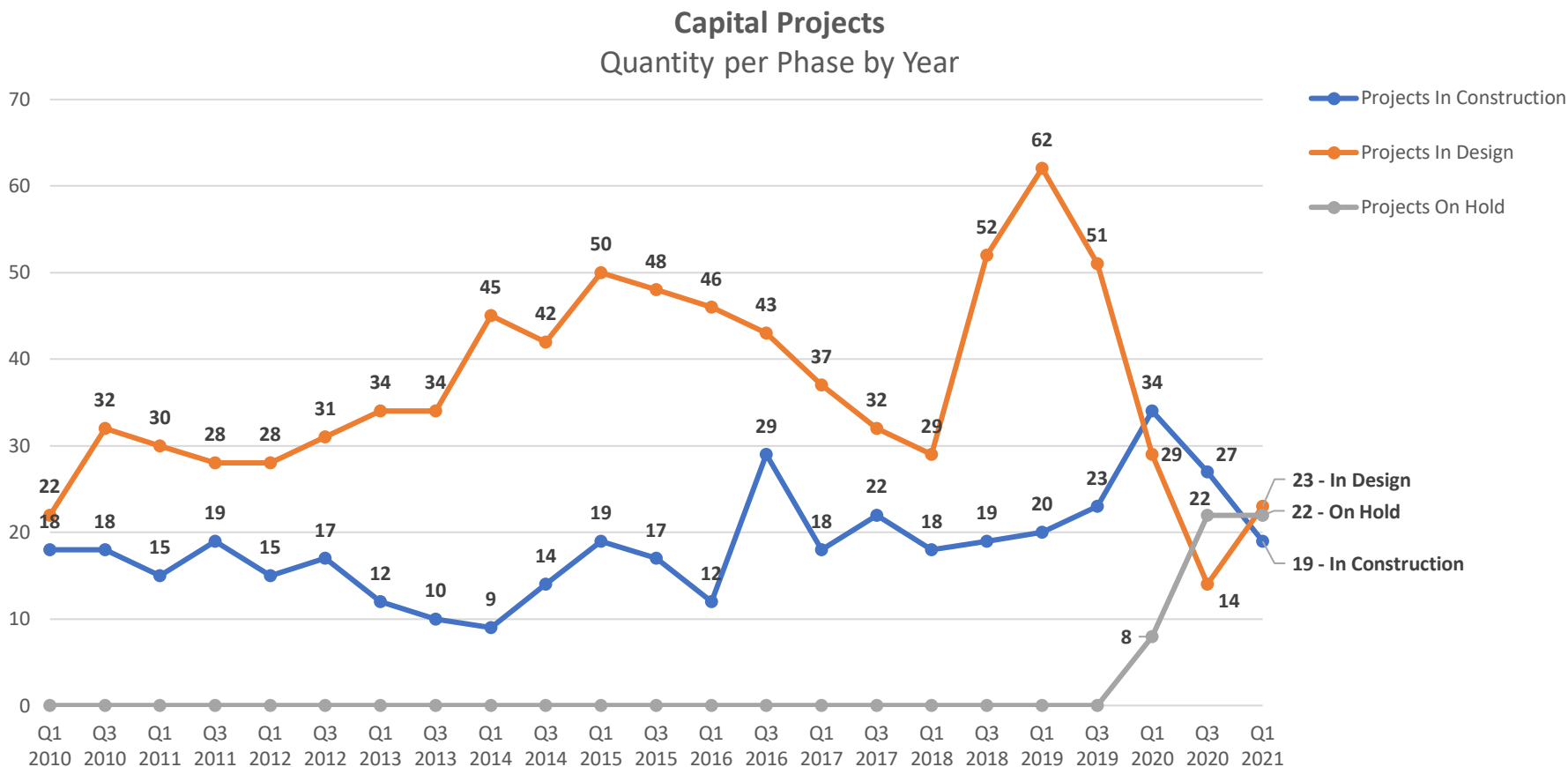
Semi-annual Capital Report

Projects in Design and Construction, 2010- 2020

Year	Month	Total Projects	# In Construction	\$ In Construction	# In Design	\$ In Design	# On Hold	\$ On Hold
2010	Jan	40	18	\$ 600,252,605	22	\$ 409,120,032	0	\$ -
2010	July	50	18	\$ 618,429,022	32	\$ 539,620,032	0	\$ -
2011	Jan	45	15	\$ 605,745,206	30	\$ 474,190,032	0	\$ -
2011	July	47	19	\$ 802,905,823	28	\$ 292,000,000	0	\$ -
2012	Jan	43	15	\$ 742,125,183	28	\$ 313,100,000	0	\$ -
2012	July	48	17	\$ 655,508,823	31	\$ 309,600,000	0	\$ -
2013	Jan	46	12	\$ 550,585,206	34	\$ 389,726,000	0	\$ -
2013	July	44	10	\$ 311,575,000	34	\$ 334,449,095	0	\$ -
2014	Jan	54	9	\$ 338,372,095	45	\$ 337,177,000	0	\$ -
2014	July	56	14	\$ 349,553,714	42	\$ 376,843,592	0	\$ -
2015	Jan	69	19	\$ 377,846,839	50	\$ 423,639,550	0	\$ -
2015	July	65	17	\$ 365,166,669	48	\$ 304,163,543	0	\$ -
2016	Jan	58	12	\$ 333,622,316	46	\$ 324,057,991	0	\$ -
2016	July	72	29	\$ 434,745,367	43	\$ 341,359,544	0	\$ -
2017	Jan	55	18	\$ 175,227,717	37	\$ 372,416,500	0	\$ -
2017	July	54	22	\$ 266,078,688	32	\$ 349,812,207	0	\$ -
2018	Jan	47	18	\$ 274,080,528	29	\$ 344,807,071	0	\$ -
2018	July	71	19	\$ 304,079,288	52	\$ 310,406,734	0	\$ -
2019	Jan	82	20	\$ 286,371,191	62	\$ 346,795,502	0	\$ -
2019	July	74	23	\$ 119,661,515	51	\$ 394,369,547	0	\$ -
2020	Jan	71	34	\$ 229,924,428	29	\$ 82,968,126	8	\$ -
2020	July	63	27	\$ 43,307,804	14	\$ 227,101,740	22	\$ 210,219,177
2021	Jan	64	19	\$ 179,135,516	23	\$ 222,232,360	22	\$ 198,852,677

Semi-annual Capital Report

Number of Projects in Design and Construction, 2010-2020

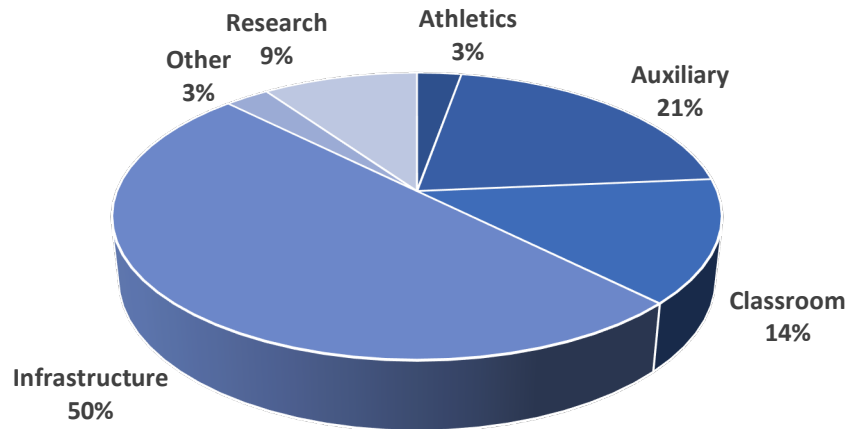


Semi-annual Capital Report

Projects by Facility Type

All Active Projects

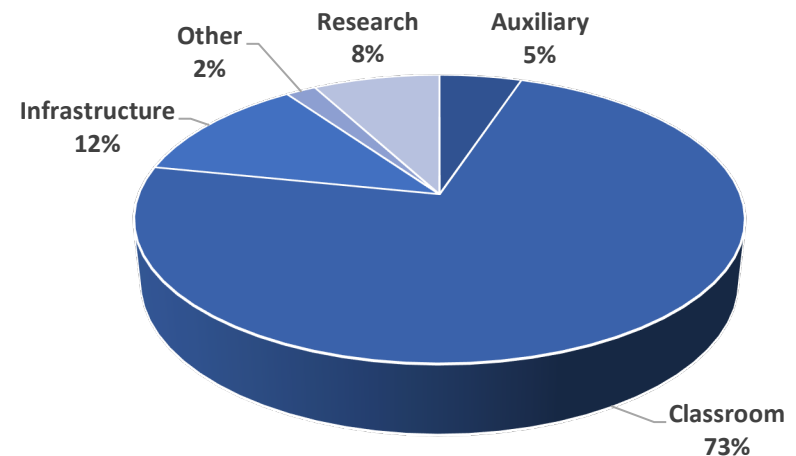
Facility Type - % of Number of Projects



Note: % in pie chart reflects percentage of number of projects (design & construction)

All Active Projects

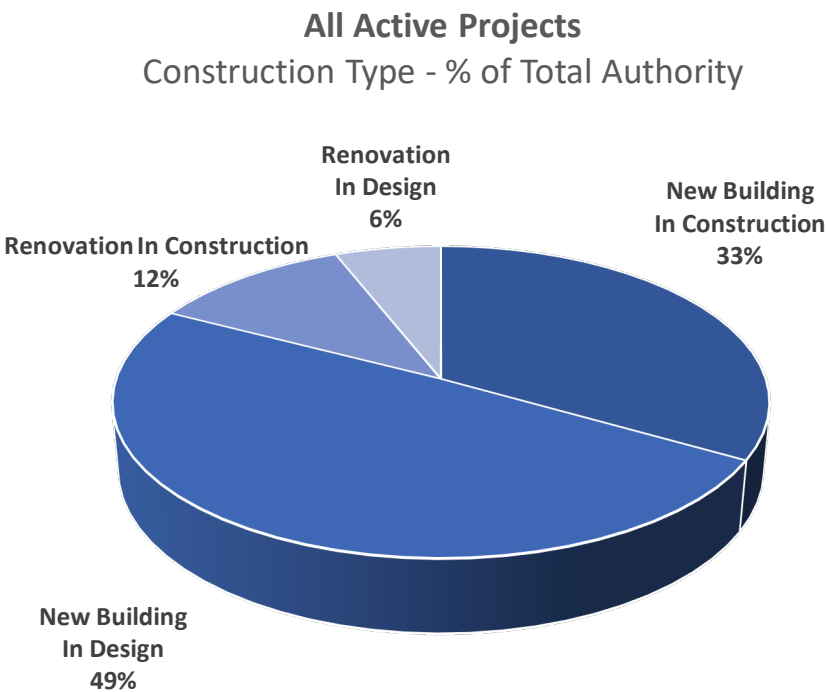
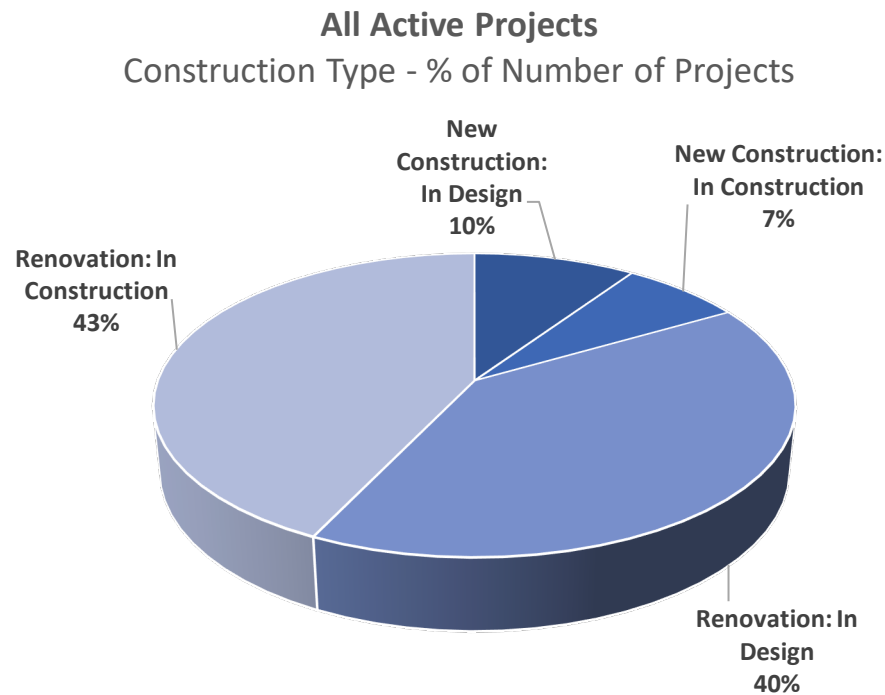
Facility Type - % of Total Authority



Note: % in pie chart reflects percentage of total authority (design and construction)

Semi-annual Capital Report

Distribution of Projects by Construction Type



University Budget Discussion

January 2021



FINANCE AND
OPERATIONS

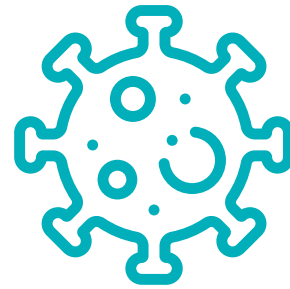


Carolina's Financial Challenge: It's Really 3 Problems



Structural Deficit

UNC-Chapel Hill has operated with a structural budget deficit— a permanent gap between expenditures and recurring revenues – for several years. The projected structural deficit for the current year is ~\$100 million.



COVID-19 Revenue Losses

Athletics, Housing, Transportation & Parking, the Faculty Practice of the School of Medicine, and other units could realize *revenue losses approaching \$200 million* this fiscal year.

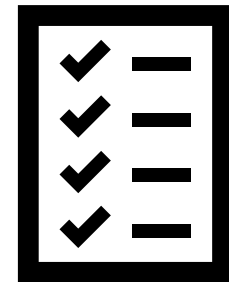
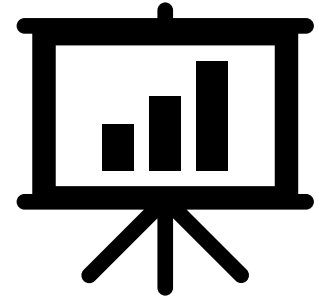


Deferred Maintenance

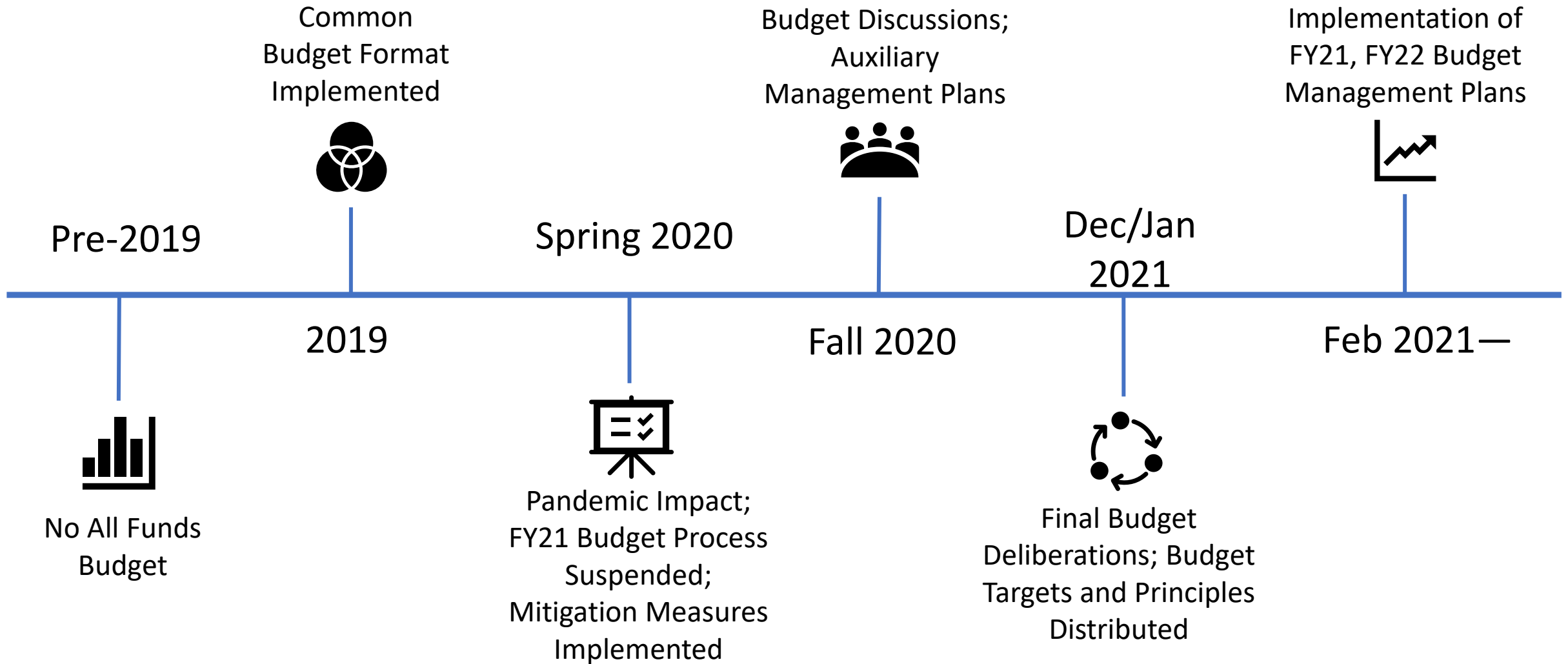
Carolina's deferred maintenance backlog is estimated to total \$850 million, primarily concentrated in academic and administrative buildings.

Structural Deficit: How Did We Get Here?

- Spending and investments
 - New buildings (e.g., Mary Ellen Jones)
 - New programs (e.g., Arts Everywhere)
 - Program support, expansions, and curricula (e.g., financial aid, Biomedical Engineering/Applied Physical Science)
 - Legal and consultant fees
 - Faculty recruitments and retentions
- Lack of a budget model

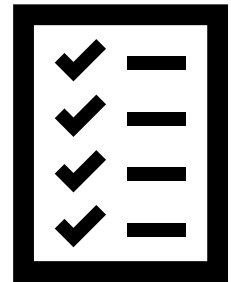
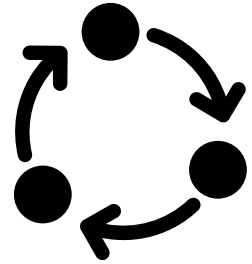


UNC-CH: Budget Timeline



UNC-CH Budget Process: Current Status

- Extensive budget discussions and engagement
 - 30+ meetings with campus units (Sep – Nov)
 - Multiple budget presentations and discussions with campus stakeholders
 - Final planning meetings with unit finance leads and leadership (Dec)
- Evaluated options ranging from 0.0% to 2.5% in personnel reductions and 0.0% to 10.0% in operating reductions in FY21 and FY22
- Budget guidance distributed to campus week of 1/11
 - 1.5% personnel and 7.5% operating reductions over FY21 and FY22
 - Balance need to eliminate deficit with ability to implement
- Unit budget management plans are expected 2/3

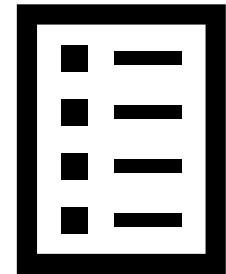
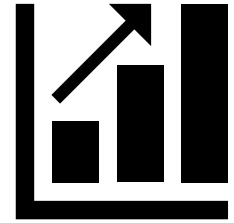


Budget Management Principles

1. Prioritize core mission of teaching, research, and service
2. Reduce budgets strategically, not across the board
3. Streamline current processes and eliminate redundancies
4. Ensure actions include recurring adjustments with longer-term budget savings
5. Consider impact on revenue generation
6. Shift of costs to other areas is not permitted
7. Consult and communicate broadly on reduction decisions
8. Balance personnel decisions across all layers of University

UNC-CH Budget Plan Expectations

- Eliminate \$100 M structural deficit by end of FY21-22
- Better prepare Carolina for uncertain pandemic impacts
- Accelerate timeline to a stronger financial position and ability to strategically reinvest in campus priorities
- Position Carolina to effectively respond to U.S. and state economic uncertainty



Questions

