

**THE UNIVERSITY OF NORTH CAROLINA AT CHAPEL HILL
SEPTEMBER 28, 2013
BOARD OF TRUSTEES MEETING AGENDA
THE CAROLINA INN**

Thursday, September 28- 8:00- 1:00 p.m.
Chancellor's Ballroom East & West

OPEN SESSION

1. Convene Meeting
2. Roll Call
3. Consent Agenda
 - a. Approval of July 13 Minutes
 - b. Ratification of Mail Ballots dated August 8, August 21 and August 31
4. Chair's Remarks
5. Student Body President's Remarks
6. Chancellor's Remarks
7. 2012-13 ACC Governing Board Certification
8. Presentation by Dean Barbara Rimer, Gillings School of Global Public Health
9. Presentation by Shelley Earp, Director of the Lineberger Comprehensive Cancer Center
10. Presentation by Clare Fieseler, PhD student "Scientists with Stories"
11. Report of the Finance & Infrastructure Committee
12. Report of the University Affairs Committee
13. Report of the External Relations Committee
14. Report of the Innovation & Impact Committee

CLOSED SESSION

15. *Report of the Finance & Infrastructure
16. *Report of the University Affairs Committee
17. *Legal Advice

OPEN SESSION

18. Report of the University Affairs Committee
19. Adjournment

*Some of the business to be conducted is authorized by the N.C. Open Meetings Law to be conducted in closed session.

BOARD OF TRUSTEES MEETING
The University of North Carolina at Chapel Hill

The Board of Trustees met in regular session on Thursday, July 25, 2013, at The Carolina Inn, Chancellor Ballroom, at 8:00 a.m. Secretary Clay presided.

OATH OF OFFICE

The Honorable Willis P. Whichard, Former Associate Justice of the North Carolina Supreme Court, administered the Oath of Office to new members of the Board:

Jefferson W. Brown
Charles G. Duckett
Kelly Matthews Hopkins
Dwight D. Stone

New Member: Haywood D. Cochrane, Jr., will be sworn in before the next meeting.

Reappointed member: Donald Williams Curtis, will be re-sworn before the next meeting.

ELECTION OF OFFICERS

Secretary Clay presented the slate of officers to the Board. Mr. Lambden moved approval of the following slate of officers for the term July 2013 to July 2014. The motion was duly seconded and it carried.

W. Lowry Caudill- Chair
J. Alston Gardner- Vice Chair
Sallie Shuping- Russell- Secretary
Erin Schuettepelz- Assistant Secretary

ROLL CALL

Assistant Secretary, Erin Schuettepelz, called the roll and the following members were present:

W. Lowry Caudill, Chair	Charles G. Duckett
J. Alston Gardner, Vice Chair	Peter T. Grauer
Sallie Shuping-Russell, Secretary	Kelly Matthews Hopkins
Jefferson W. Brown	Steven J. Lerner
Phillip L. Clay	Dwight D. Stone
Donald Williams Curtis	Christy Lambden

Haywood D. Cochrane, Jr. was absent.

Chair Caudill opened the meeting by reading the following statement regarding the State Government Ethics Act:

"As Chair of the Board of Trustees, it is my responsibility to remind all members of the Board of their duty under the State Government Ethics Act to avoid conflicts of interest and appearances of conflict of interest as required by this Act. Each member has received the agenda and related information for this Board of Trustees' meeting. If any Board member knows of any conflict of interest or appearance of conflict with respect to any matter coming before the Board of Trustees at this meeting, the conflict or appearance of conflict should be identified at this time."

**UNC-Chapel Hill Board of Trustees
Full Board Minutes
July 25, 2013**

CONSENT AGENDA

Approval of Minutes

On motion of Mr. Lambden, and duly seconded, the minutes of the regular meeting of May 23, 2013, were approved as distributed.

Ratification of Mail Ballots

On motion of Mr. Lambden, and duly seconded the following mail ballot dated June 17, 2013, was approved as distributed:

- Personnel actions and actions conferring tenure, compensation actions, and items for information.

(ATTACHMENT A)

On motion of Mr. Lambden, and duly seconded, the following mail ballot dated June 19, 2013, was approved as distributed:

- Report of the Visioning Committees.

(ATTACHMENT B)

CHAIR'S REMARKS

Chair Caudill thanked the trustees for their vote of confidence in the slate of officers selected by the Nominating Committee. He mentioned that he is honored to serve as chair this year, along with Vice Chair Alston Gardner and Secretary Sallie Shuping Russell. Chair Caudill then welcomed the new members of the board and mentioned the orientation that took place on Tuesday:

- Jeff Brown of Charlotte
- Haywood Cochrane of Elon
- Chuck Duckett of Winston-Salem
- Kelly Hopkins of Charlotte, and
- Dwight Stone of Greensboro

Chair Caudill then welcomed our new chancellor, Carol Folt. He continued his remarks by highlighting the following four goals:

1. Ensure a smooth and effective transition for Chancellor Folt and the new members of her senior leadership team.
2. Build stronger relationships with the University's key external constituencies.
3. Create a sustainable approach to Enterprise Risk Management for the University.
4. Mature and consolidate our work on innovation and entrepreneurship so we can quantify and effectively communicate that impact in North Carolina and beyond.

Chair Caudill then mentioned the following four standing committees this year:

1. Trustee Lerner is chairing Finance and Infrastructure, which covers a wide range of areas related to funding, IT, facilities and operations.
2. Vice Chair Gardner is chairing University Affairs, which covers academic areas along with the areas serving and supporting students, faculty and staff, diversity and athletics.
3. Trustee Curtis will chair External Relations which covers our external constituencies and partners as well as University Development.
4. Trustee Clay is leading a new committee we are calling Innovation and Impact which will bring together all of our innovation and entrepreneurship activities on campus for the very first time. The goal is to facilitate the innovation activities and maximize their impact on North Carolina.

Two task forces have been created to further support our board goals:

UNC-Chapel Hill Board of Trustees
Full Board Minutes
July 25, 2013

1. Vice Chair Gardner will chair an External Relations Task Force, which will include trustees, key administrators – including the new vice chancellors for communications and development when they are hired. This group will identify key audiences, develop strategy and execute the resulting plan.

2. Board Secretary Shuping Russell will chair the Enterprise Risk Management Task Force. This task force will create a sustainable approach that will be incorporated into ongoing university operations. They will identify 3-4 strategic opportunities that we must seize so that Carolina remains in the upper echelon of universities in the United State and the world for decades to come. Additionally, they will identify 3-4 operational areas with significant existing or potential risk and provide recommendations for mitigation or elimination of risk. Task Force members will include trustees and administrators, including Provost Dean, Vice Chancellors Crisp, Gray, Strohm and Entwisle.

Chancellor Folt will serve ex officio on both task forces.

Chair Caudill concluded his remarks by mentioning that he and Chancellor Folt will be available after the break at 10 am to take questions.

[A copy of Chair Caudill's remarks is located in the Office of the Assistant Secretary.]

STUDENT BODY PRESIDENT'S REMARKS

Mr. Lambden commented on what student government has been doing this summer and gave reports on the following:

- Affordability- A number of students visited the legislature and they are very disappointed about the 12.3% tuition increase for out-of-state students;
- Academics- Students are also very discouraged by the upcoming changes regarding the drop/add period, but we are currently collecting research from many sources to help us understand what the ramifications of the policy may be; and
- Safety- Key leaders in the campus community have been discussing the sexual assault policy. Major goals have been set to tackle this, as well as actions taken to address what can be addressed now. A dedicated task force is working on areas of focus and actions to be taken. Some of these are: prevention, appointment of a Title IX officer, and launching a mobile app that would allow students to send a distress signal if they felt in danger. The task force has also discussed the definition of consent, and they have decided that this should be the focal point of the policy. Also discussed was what support needs to be offered to a complainant, and what the process should look like once a complaint has been registered.
- Orientation- I have been welcoming new students to campus and I have been inspired by the excitement that the class of 2017 has to be a part of the Carolina community.

[A copy of Mr. Lambden's remarks is located in the Office of the Assistant Secretary.]

CHANCELLOR'S REMARKS

Thank you, Chair Caudill Trustee Lambden and all of the trustees for your warm welcome. It is a pleasure getting to know and work with all of you. There is an incredible sense of service and strong dedication to UNC-Chapel Hill by every member of the Board. Your deep commitment to the people of North Carolina will be an enduring model for me. I appreciate the significance of this meeting as the first in a leadership transition for Carolina. As your new chancellor, I am joining a new provost, Jim Dean, a new board chair, and 5 new trustees. It is a privilege to be part of this wonderful and talented group of people, and I am pleased to see that already we have found so many points of shared excitement and focus for our work ahead.

**UNC-Chapel Hill Board of Trustees
Full Board Minutes
July 25, 2013**

Provost Dean and I also feel very fortunate because we are joining a seasoned and creative team of vice chancellors, deans and staff, and we are grateful for all they are doing to assist with this leadership transition. Because of all of them and you, my predecessor, the past members of the Board, President Ross and the folks at GA, and many others, I would say that our transition so far has been very smooth. Thank you.

As you all know, this is my first meeting with the full Board of Trustees. It has been terrific so far; I appreciate the efforts by new colleagues to orient all of us about so many facets of this great university. It has been impressive. The depth of interest, experience, knowledge of the board has been also particularly obvious to me. It begins with Chair Lowry Caudill and the other ongoing trustees but extends to all trustees, each of whom has already been extremely important in this leadership transition.

With the remainder of my time today, I'd like to briefly share a bit about how I've been spending my time so far, and a few first impressions, and then a few thoughts about the next few months.

One of the most enjoyable aspects of starting a new position is meeting and talking with so many new people, even before arriving in Chapel Hill on July 1st. I spent a lot of time talking and visiting with many members of the Carolina family- I have met with faculty, staff and students in a number of different venues. I have been to games, met with coaches, walked the campus, went downtown, began to learn the region, visited or talked with a number of Carolina alumni, and did lots of reading and listening. I have been taking a deep dive into a number of issues with my senior administrative team and of course, look forward to many more of these.

One of my favorite visits was with Vice Chancellor Roper when I went over and met a lot of people in the medical school. I had a chance to learn what was going on with that team and that is the type of visit I look to repeat as often as possible. My second day, I spent half a day in Raleigh visiting with key state government and legislative leaders including Governor McCrory. I was really encouraged by those conversations and our shared commitment to advancing North Carolina.

My husband David and I, along with Provost Jim Dean and his family, attended the Town of Chapel Hill's Fourth of July celebration in Kenan Stadium with Mayor Kleinschmidt and his town colleagues. I also met with leaders from some of the region's news media organizations before I took office, with Chancellor Thorp, to talk about transparency and working together effectively in the future. That is very important to me.

With each day, I feel even more strongly the honor that it is to be here in North Carolina as Chancellor of this very special university, with its first in the nation public university traditions, its pride in its being the university of the people, and the excellence and the fullness of its academic strength. In every setting, people want to know how we can work together to make Carolina even stronger. I hear "How can I help?" more than anything else. The level of warmth and welcome so impressed me at my very first meeting with Wade Hargrove and the search committee, and it continues every day. The love of this place, the loyalty and generosity of Carolina's alumni, and their individual leadership and accomplishments create very powerful and lasting impressions.

There is a very strong sense of the importance of both this place and its immense possibility has been coming through in the many conversations I have been having with faculty, students, staff

UNC-Chapel Hill Board of Trustees
Full Board Minutes
July 25, 2013

and alumni. The message we have been hearing over the last couple of days is crystal clear: this University is and fully intends to remain a leader in educating students and producing new knowledge that benefits North Carolina and the rest of the world, and it intends to keep that position, to take actions as needed, and to push itself even further to enhance its local and global impact and provide its students outstanding & relevant learning experiences. This community is deeply proud of its legendary pairing of academic excellence with accessibility and affordability, but while people do not want to see those great traditions change, they do want to see Carolina lead in educational innovation, discovery, and also to appear very open to discussing many types of change that could improve the educational and living experiences of students, enhance its inclusivity, and the way the university conducts its operations.

I have not heard or felt a sense of complacency, rather more strongly ambition, and urgency to see things move and progress. That is a gift! I have also found that everyone I speak to wants to be a productive part of the magic of this place (staff, students, faculty, alumni); and they want the high standards they believe have made this place strong throughout its storied history to be the culture that defines them today. The growing culture of innovation and entrepreneurship here, is flourishing thanks in part to the groundbreaking work by the Chancellor's Innovation Circle, led by Chair Lowry Caudill and supported by many of the other current and past trustees. This will do much to keep Carolina at the cutting edge in the decade ahead. You will hear more today from faculty involved. I believe that the extraordinary sense of pride and purpose I have seen so far is both precious and priceless, and this will serve us all very well.

Early thoughts about the next few months: As you can imagine, while people have spoken to me about Carolina's incredible strengths, I am also hearing a lot about opportunities for improvement and innovation. Those conversations have helped inform my early thoughts about the next few months. Moreover, Carolina, like the rest of the great research universities is in a time of rapid transition. We are in a period of exponentially growing knowledge – mastery of any field is a fleeting moment, as new knowledge, discoveries, and global opportunities change our understanding of our fields every day. Technologies, digital and social media, are completely transforming not only how we communicate, but how we learn and what we create. As educators, in the business of creating knowledge and teaching students how to build the future, this is the most exciting time imaginable. In addition, the costs of our work and the needs of our many constituents are also changing, as is the ferociously competitive nature of higher education.

Our world is the marketplace of ideas, and so the talent, every university's greatest asset is its workforce, the brainpower that fuels the work, and it is a competitive world. All of these changes will influence our work together. Carolina needs to be much more proactive in our efforts to communicate with key audiences around the state and nation about the breadth and significance of the work taking place in Chapel Hill. Strengthening our digital capacities and our strategic communications across the entire institution will be a major focus. At the same time, we need to build on the institution's strong record of success in tapping the generosity of loyal alumni and friends in making private gifts to support Carolina's excellence today and in the future. To lead both these strategic communications and development priorities, we are currently searching for two new vice chancellors. I look forward to completing my senior leadership team soon.

Many people also have spoken about the need to rebuild confidence in some of our processes. They have urged me to emphasize Carolina's willingness to address shortcomings where

**UNC-Chapel Hill Board of Trustees
Full Board Minutes
July 25, 2013**

identified, and expressed a fervent desire to see Carolina become a national leader in complex and critical areas such as athletics and the academy, student health and safety, and combating sexual assault and misconduct. We are already making progress in these areas, thanks to processes that Chancellor Thorp and others put in place last year. I have talked to Dr. Rawlings recently and expect his report to be completed in the coming weeks. A Sexual Assault Task Force has also been hard at work since the spring semester ended. Led by Christi Hurt, our Interim Title IX Officer, the task force will recommend how to enhance our policies and procedures for handling student-on-student complaints of harassment, sexual misconduct or discrimination. This issue is so important on every campus, not just Carolina.

I still have a lot to learn. In the coming months, Provost Dean and I will delve deeper during visits to every professional school, the College of Arts and Sciences, the Library, the Performing Arts center and other critical institutes and centers. I am already hearing so much about University's research enterprise. There is such strong momentum. New numbers just came in this week for total research funding in fiscal 2013: \$777.8 million, which is up nearly \$11 million from last year. This achievement is a remarkable tribute to the work our faculty are doing to improve people's lives and to make North Carolina a global R&D leader. These funds are a vital source of jobs and a key driver in North Carolina's innovation-based economy.

In the coming months, my work with the senior administration will be closely aligned with the board's goals, which Lowry just articulated for the coming year:

- ensuring a smooth leadership transition
- building stronger relationships with key University constituencies
- creating a sustainable approach to enterprise risk management, and
- enhancing the excellent work that's already been done on innovation and entrepreneurship.

With Summer School ending tomorrow, I am looking forward to students and faculty returning full of energy and new ideas as we start a new academic year. Trustee Lambden and others will be helping me find many ways to meet and learn from our students. There is no place, nothing like the buzz of Carolina in full swing! My installation takes place on October 12, which is 107 days into my time here, and I plan to take that opportunity to more fully discuss my plans for working with the campus community and you to develop a bold strategy for Carolina in the future.

North Carolina invented public education; together we can reinvent where needed it for the 21st century.

KENAN INSTITUTE FOR PRIVATE ENTERPRISE STRATEGIC PLAN

Joe DeSimone, Director of the Frank Hawkins Kenan Institute of Private Enterprise; Chancellor's Eminent Professor of Chemistry at UNC; and William R. Kenan Jr. Distinguished Professor of Chemical Engineering at NC State University and of Chemistry at UNC, reported the mission of the Institute- "Have a substantial and lasting impact on the business and commercial community of North Carolina, the United States, and, eventually, the international markets as well; encouraging cooperative efforts among private enterprise, academics and government." He then highlighted our ranking with the Milken Institute and venture capital investments. The importance of research universities to our economy is increasingly clear. Dr. DeSimone mentioned the importance of investing in entrepreneurial relationships and highlighted the significance of federal research funding, although it continues to decrease significantly. Convergence is a blueprint for innovation; it is essential that different fields of study (life Sciences, physical sciences, and engineering) come together through collaboration and the integration of approaches that were originally viewed as distinct and potentially

**UNC-Chapel Hill Board of Trustees
Full Board Minutes
July 25, 2013**

contradictory. Objectives for the Institute are to increase UNC-CH Entrepreneurship, expand multi-university research translation, and to leverage intellectual capital for NC economic development. Dr. DeSimone then highlighted specific initiatives related to the objectives.

A copy of the PowerPoint presentation is located at: <http://www.unc.edu/depts/trustees/>
A copy of the presentation is also filed in the Office of the Assistant Secretary.

SCHOOL OF PHARMACY STRATEGIC PLAN

Bob Blouin, Dean of the School of Pharmacy, spoke about the strategic plan: how it came about, how it has been implemented, and the successes the school has seen as a result of the plan being implemented. He mentioned that the strategic plan is directly linked to the development plan and has been hugely successful in fund raising. Carolina now has world-class classrooms and faculty.

OVERVIEW OF CAMPUS SAFETY

Jeff McCracken, Director of Public Safety and Chief of Police, gave an update regarding the campus safety department, training for employees, emergency responses, the recent campus safety drill, and transportation. He also highlighted the emergency operations plan.

REPORT OF THE FINANCE & INFRASTRUCTURE COMMITTEE

Committee Chair, Steven J. Lerner, reported to the Board that the committee heard a brief report on the Organizational Structure Overview for the committee. The following units provided a brief overview of their respective organizational charts in the following order:

- Division of Finance and Administration (Karol Gray)
- University Advancement (Julia Grumbles)
- Information Technology Services (Chris Kiert, Vice Chancellor)
- Internal Audit (Phyllis Petree, Director)
- Provost Office (Dwayne Pinkney, Vice Provost for Finance & Academic Planning)
- Athletics Operations (Bubba Cunningham, Director of Athletics)

Dr. Lerner, Committee Chair, moved ratification by the Board of the following items which were brought forth as a motion formerly approved by the committee.

• **Approval of Allocations from the Endowment's Distribution for the Investment Fund.** Karol Kain Gray, Vice Chancellor for Finance and Administration, presented for approval the transfer to the University of the Endowment's Distribution. The Board of Governors requires that the Trustees approve transfer of Endowment income to the useful possession of the institution. The Board of Trustees of the Endowment Fund has already approved, by mail ballot, the proposed transfer for University expenditure during the 2013-2014 fiscal year. Exhibit 1 is a table showing the amounts to be transferred as well as a page of explanatory notes. Exhibit 2 provides a flowchart of the approval process as background information.

The motion was duly seconded and it carried.

(ATTACHMENT C)

• **The University of North Carolina at Chapel Hill Foundation, Inc. ("Foundation") Policies and Procedures Update.** Julia Grumbles, Interim Vice Chancellor for University Advancement, presented for review and approval the Foundation's travel and expense policies and procedures. The Foundation's Board of Directors approved these revisions to the Policies and Procedures Manual.

**UNC-Chapel Hill Board of Trustees
Full Board Minutes
July 25, 2013**

The motion was duly seconded and it carried.

(ATTACHMENT D)

• **Annual Audit Certification Letter Process.** Phyllis Petree, Director of Internal Audit, presented the Annual Audit Certification Letter to the Committee for approval and signatures. This letter satisfies a UNC Board of Governors requirement for the Budget, Finance, and Audit Committee to certify in writing that its members:

- Formally approved the annual internal audit plan (done in September 2012);
- Received at least four reports relative to internal audit matters from the Director of Internal Audit (presentations made in July and September 2012 and January, and May 2013);
- Received and reports with corrective action plans from projects with significant reportable conditions. There were none but Board members receive copies of all internal audit reports;
- Reviewed or discussed results from audits and reviews performed by the North Carolina Office of the State Auditor; and
- Reviewed audits and management letters for University Associated Entities.

Mr. Lambden seconded the motion and it carried.

(ATTACHMENT E)

• **Revised Internal Audit Charter.** Phyllis Petree also presented revisions to the Internal Audit Charter for approval. The changes reflect the revised name of the Finance and Infrastructure Committee and obtain signatures of the new Chancellor and Chairperson of the Finance and Infrastructure Committee.

The motion was duly seconded and it carried.

(ATTACHMENT F)

• **Designer Selection- Hill Hall Auditorium Renovation and Addition.** A gift from The William R. Kenan, Jr. Charitable Trust has initiated a project to renovate Hill Hall to restore the rotunda and lobby, and transform the auditorium into a first-rate concert hall. The project will address the deferred maintenance items which include: HVAC, life safety code and accessibility issues. An addition of approximately 10,500 SF to the auditorium will provide needed back stage area with green rooms, practice rooms, offices and storage. Total project budget is \$15M. The William R. Kenan, Jr. Charitable Trust is providing \$5M to the University subject to 2:1 matching funds. The University will provide \$5M and the College of Arts and Sciences will secure \$5M through private gifts. The following three firms are recommended in the following priority order:

- | | |
|---------------------------------|----------------|
| 1. Quinn Evans, Architects | Washington, DC |
| 2. Ann Beha Architects | Boston, MA |
| 3. Pfeiffer Partners Architects | New York, NY |

The firms were selected for their past performance on similar projects, strength of their consultant team, knowledge and experience designing and renovating performing arts venues, and experience with campus projects.

Mr. Lambden seconded the motion and it carried.

(ATTACHMENT G)

A copy of the PowerPoint presentation is located at: <http://www.unc.edu/depts/trustees/>

**UNC-Chapel Hill Board of Trustees
Full Board Minutes
July 25, 2013**

A copy of the presentation is also filed in the Office of the Assistant Secretary.

• **Designer Selection- Power Generation and Chiller Plant Capacity Addition.** This feasibility study will develop the project scope, schedule and cost for a new steam turbine driven chiller plant with a nominal 10,000 ton capacity and new electrical generation of undetermined capacity at the site of the Manning Steam Plant. The budget for the study is \$500k and will be funded by Energy Services receipts. The following three firms are recommended in the following priority order:

- | | |
|----------------------------------|-------------------|
| 1. Sebesta Blomberg & Associates | Durham, NC |
| 2. Affiliated Engineers, Inc. | Durham, NC |
| 3. Sega, Inc. | Overland Park, KS |

The firms were selected for the past performance on similar projects, team structure and in depth knowledge of campus energy.

Mr. Lambden seconded the motion and it carried.

(ATTACHMENT H)

A copy of the PowerPoint presentation is located at: <http://www.unc.edu/depts/trustees/>

A copy of the presentation is also filed in the Office of the Assistant Secretary.

• **Construction Manager at Risk Selection- Mary Ellen Jones Building Renovation.** With the completion of the Imaging Research Building, the School of Medicine has the ability to take six floors offline to provide a comprehensive renovation to this 1978 research building. The project will renovate the floors for new research laboratory space, address code deficiencies and deferred maintenance items, replace and enlarge exterior windows and restore precast panels. The project budget is \$77.4M and will be funded by University funds. The following three firms are recommended in the following priority order:

- | | |
|---|-------------|
| 1. Choate Construction Company | Raleigh, NC |
| 2. Brasfield & Gorrie - Metcon, A Joint Venture | Raleigh, NC |
| 3. LeChase Construction and H.J. Russell & Co. | Durham, NC |

The firms were selected for the strength of the proposed staff, understanding of the project and experience on similar projects.

The motion was duly seconded and it carried.

(ATTACHMENT I)

A copy of the PowerPoint presentation is located at: <http://www.unc.edu/depts/trustees/>

A copy of the presentation is also filed in the Office of the Assistant Secretary.

• **Acquisition by Lease of the Office Space for the Institute for the Environment.** This request is for approval to lease approximately 9,085 square feet of office space at 137 East Franklin Street, Suites 601 & 602, for the Institute for the Environment. The lease term is for two years commencing August 1, 2013 with two (2) one-year renewal option periods. The initial annual rent cost will be \$198,507.25, or \$21.85 per square foot, including utilities and janitorial service. Rent will increase 2.5% per annum beginning the second year.

Mr. Lambden seconded the motion and it carried.

(ATTACHMENT J)

**UNC-Chapel Hill Board of Trustees
Full Board Minutes
July 25, 2013**

- **Acquisition by Lease of Office Space for School of Public Health, Department of Biostatistics.** This request is for approval to lease approximately 17,218 square feet of office space at 137 East Franklin Street, Suites 203,300, 400, 402,403,405, for the Department of Biostatistics within the School of Public Health. The lease term is for thirty months commencing July 1, 2013 with four (4) six-month renewal option periods. The initial annual rent cost will be \$395,497.46, or \$22.97 per square foot including utilities and janitorial service. Rent will increase 2.5% per annum at the beginning of the second year.

Mr. Lambden seconded the motion and it carried.

(ATTACHMENT K)

The following item came to the committee for action, but the committee recommended it come back to the Board after a more detailed risk assessment is done. No action was taken on this item.

- **Property Disposition by Ground Lease to the Town of Carrboro.** This request is for approval to authorize a ground lease of an amount to be determined by survey to the Town of Carrboro for the purpose of constructing a greenway on University property. This lease will facilitate the construction of a new public greenway by the Town of Carrboro, a portion of which will be located on University property adjacent to Homestead Rd. The greenway construction will be funded through NCDOT and administered by the Town of Carrboro. The Ground Lease will terminate at the conclusion of the construction of the greenway and the greenway will be gifted to the University.

(ATTACHMENT L)

A copy of the PowerPoint presentation is located at: <http://www.unc.edu/depts/trustees/>
A copy of the presentation is also filed in the Office of the Assistant Secretary.

The committee heard the following reports, for information only (no formal action was requested at that time), but these items were not reported to the Full Board.

- **Financial Update.**

A copy of the PowerPoint presentation is located at: <http://www.unc.edu/depts/trustees/>
A copy of the presentation is also filed in the Office of the Assistant Secretary.

- **Energy Savings Performance Contract.**

(ATTACHMENT M)

- **Semi-Annual Capital Report.**

(ATTACHMENT N)

- **Semi-Annual Leasing Report.**

(ATTACHMENT O)

A copy of the PowerPoint presentation is located at: <http://www.unc.edu/depts/trustees/>
A copy of the presentation is also filed in the Office of the Assistant Secretary.

- **Development Report.**

A copy of the PowerPoint presentation is located at: <http://www.unc.edu/depts/trustees/>
A copy of the presentation is also filed in the Office of the Assistant Secretary.

UNIVERSITY AFFAIRS COMMITTEE

Mr. Gardner, Committee Chair, thanked those who participated in the New Trustee Orientation on Tuesday and Wednesday. He then presented the following items for information only (no formal action was requested at that time).

- **Employee Forum Chair's Remarks.** Charles Streeter, the new Employee Forum Chair, gave a great report and summarized the things the Forum has done recently. He also mentioned the hard work put in by employees during the recent flood in Chapel Hill that greatly affected the campus. The committee asked Mr. Streeter to invite them to the next committee meeting so the trustees could publicly thank them for the great sacrifice they made.

A copy of the PowerPoint presentation is located at: <http://www.unc.edu/depts/trustees/>
A copy of the presentation is also filed in the Office of the Assistant Secretary.

- **Faculty Chair's Remarks.** Professor Jan Boxill, Faculty Chair, talked about a range of issues. One of the most significant is the dissatisfaction with the Honor System, by the faculty. They have been working diligently over the last six to nine months to make some reforms there. She has been trying to engage the faculty to work more collaboratively with the students. Judith Wegner will lead the effort. [A copy of Professor Boxill's remarks is located in the Office of the Assistant Secretary.]

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A copy of the presentation is also filed in the Office of the Assistant Secretary.

The following items were presented for action by the committee, but due to the lack of a quorum, the vote was postponed until this meeting. The Full Board took action on the following 2 items. Dr. Clay moved approval of the following 2 items. Mr. Lambden seconded the motion and each item carried.

- **The University of North Carolina at Chapel Hill Incentive Compensation Plan for the Vice Chancellor for Development.** Pursuant to Section V.12 of the University's Policy on Non-Salary and Deferred Compensation for Faculty and EPA Non-Faculty Employees, approved by the Board of Trustees (BOT) in June 2013, the Chancellor seeks approval of an Incentive Compensation Plan for the University position of Vice Chancellor for Development. It is essential that the Chancellor be positioned to offer a competitive total compensation package to the successful candidate that includes base salary (not to exceed the UNC General Administration salary maximum for the position, currently \$395,874), along with the opportunity to receive additional annual non-base incentive compensation. This proposed Incentive Compensation Plan is a necessary and important recruitment and retention tool to attract the highest order development and fundraising talent to this critical senior officer position.

(ATTACHMENT P)

- **The University of North Carolina at Chapel Hill Educational Assistance Program for Kenan-Flagler Business School Non-Faculty Staff.** The Kenan-Flagler Business School (KFBS) seeks approval of an educational assistance program for selected EPA Non-Faculty Staff employees within the School who demonstrate outstanding job performance and demonstrate significant future leadership potential. This program reimburses tuition for a masters-level degree program offered by the School with the intention of attracting and/or retaining staff who demonstrate the potential to assume increasingly responsible leadership roles within KFBS, and to make substantial contributions to the School's mission. This program is being submitted for Board of Trustees (BOT) approval to ensure its continued availability in

UNC-Chapel Hill Board of Trustees
Full Board Minutes
July 25, 2013

compliance with recent revisions to the University's Policy on Non-Salary and Deferred Compensation for Faculty and EPA Non-Faculty Employees, which were effective on June 1, 2013. Specifically, Section V.13. of this Policy requires BOT approval for employer-provided benefits in excess of current IRS limits for qualified educational assistance, which as of calendar year 2013 is \$5,250. Above this level, educational benefits are treated as taxable income to the employee and therefore subject to BOT approval as non-salary compensation under the aforementioned Policy.

(ATTACHMENT Q)

The following items were presented in committee, but not reported to the full board:

- **Vice Chancellor's Remarks.**

- **GPSF Remarks.**

A copy of the PowerPoint presentation is located at: <http://www.unc.edu/depts/trustees/>

A copy of the presentation is also filed in the Office of the Assistant Secretary.

EXTERNAL RELATIONS COMMITTEE

Mr. Curtis, Committee Chair, presented the following items for information only (no formal action was requested at that time).

- **Legislative Update.** Jennifer Willis, Director of State Relations, gave a brief update. The outlook is positive, but a number of reductions are being taken. We won't know the full impact until everything passes.

- **Development Update.** Julia Grumbles provided an update on Development.

<u>FY 2013 Year End Report</u>	<u>6/30/13</u>	<u>6/30/12</u>	<u>% change</u>
○ Gifts Received	\$270,743,984	\$287,419,666	-5.8%
○ Pipeline	\$370,885,414 proposals in the pipeline		

<u>Current Snapshot</u>	<u>July FY13</u>	<u>July FY12</u>	<u>% change</u>
○ Pipeline	\$370,885,414	\$280,488,199	22%

A copy of the PowerPoint presentation is located at: <http://www.unc.edu/depts/trustees/>

A copy of the presentation is also filed in the Office of the Assistant Secretary.

- **UNC Horizons: Current Successes and Future Vision.** John Thorp, McAllister Distinguished Professor; Division Chief of Women's Primary Healthcare; and Vice Chair of Research of Obstetrics and Gynecology, and Hendree Jones, the newly appointed Executive Director of Horizons, gave a report.

A copy of the PowerPoint presentation is located at: <http://www.unc.edu/depts/trustees/>

A copy of the presentation is also filed in the Office of the Assistant Secretary.

INNOVATION & IMPACT COMMITTEE

Dr. Clay, Committee Chair, reported the areas that have been assigned to the committee: research, entrepreneurship, technology transfer licensing and economic development. The Innovation Roadmap highlights some of challenges we face in this area. Research funding continues to be a challenge. Finally, industrial relations- we have an opportunity to expand our industrial relations and we are looking for ways to maximize those opportunities. The committee also discussed the importance of the upcoming campaign and the role it will play in

**UNC-Chapel Hill Board of Trustees
Full Board Minutes
July 25, 2013**

making/keeping UNC a leader in research and innovation. The committee closed with a discussion on the infrastructure needed for innovation to happen.

The following items were presented to the committee, for information only (no formal action was requested at that time), but were not reported at the Full Board meeting.

- **Remarks from the Vice Chancellor of Research.**

A copy of the PowerPoint presentation is located at: <http://www.unc.edu/depts/trustees/>

A copy of the presentation is also filed in the Office of the Assistant Secretary.

- **Remarks from the Special Assistant to the Chancellor for Innovation and Entrepreneurship.**

A copy of the PowerPoint presentation is located at: <http://www.unc.edu/depts/trustees/>

A copy of the presentation is also filed in the Office of the Assistant Secretary.

MOTION TO CONVENE IN CLOSED SESSION

On motion of Secretary Shuping-Russell, and duly seconded, the Board voted to convene in closed session pursuant to North Carolina General Statutes Section 143-318.11 (a) (1) (to prevent the disclosure of privileged information under Section 126-22 and the following); and also pursuant to Section 143-318.11 (a) (2), (3), (5), and (6).

CLOSED SESSION

REPORT OF THE FINANCE & INFRASTRUCTURE COMMITTEE

Report of the Naming Committee

Dr. Lerner, Committee Chair, presented naming recommendations which were previously presented to the Finance & Infrastructure Committee and approved by the committee. [A copy of the Report of the Naming Committee is filed in the Office of the Assistant Secretary.]

Dr. Lerner moved ratification by the Board of the naming recommendations. The motion carried.

REPORT OF THE UNIVERSITY AFFAIRS COMMITTEE

Mr. Gardner, Committee Chair, presented the personnel and salary approvals dated July 15, 2013, for the Board's consideration. The actions will be voted on in open session.

(ATTACHMENTS R-S-T)

LEGAL ADVICE

General Counsel Leslie Strohm advised the Board on several legal matters.

DEEP CLOSED SESSION

Chair Caudill convened the Board in Executive Closed Session to discuss personnel and legal matters.

RECONVENE MEETING IN OPEN SESSION

Chair Caudill reconvened the meeting in open session.

OPEN SESSION

REPORT OF THE UNIVERSITY AFFAIRS COMMITTEE

UNC-Chapel Hill Board of Trustees
Full Board Minutes
July 25, 2013

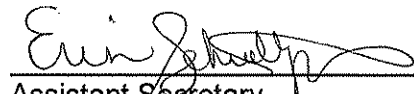
Mr. Gardner, Committee Chair, moved approval by the Board of the following personnel actions dated July 15, 2013, which were discussed earlier in closed session. The motion was duly seconded and it carried.

- Personnel Actions and Actions Conferring Tenure.
(ATTACHMENT R)
- Compensation Actions.
(ATTACHMENT S)
- For Information.
(ATTACHMENT T)

Chair Caudill stated that the personnel and salary actions voted on in open session had been distributed to the press.

ADJOURNMENT

There being no further business to come before the Board, Chair Caudill adjourned the meeting at 1:06 p.m.



Assistant Secretary

**BOARD OF TRUSTEES OF THE ENDOWMENT FUND OF THE UNIVERSITY OF NORTH CAROLINA AT CHAPEL HILL
JUNE 2013 TRANSFERS FOR FISCAL YEAR 2013-2014 EXPENDITURES**

	Transfer June 2013
Restricted Funds:	
Kenan Professorships	\$3,030,551
William R. Kenan, Jr. Professorships	2,849,893
Johnston Professorships	3,232,769
Other Professorships	22,298,911
Visiting Professors and Lectures	557,550
Scholarships	6,187,801
Fellowships	2,558,714
Prizes and Awards	681,173
Departmental Uses	7,629,464
Library	3,180,912
Miscellaneous	573,590
Total Restricted	<u>52,781,328</u>
Unrestricted Funds:	
Pogue Fund:	
Development Program	1,435,000
Library Acquisitions	247,700
Approved Research/Study Programs	152,800
Scholarships	539,800
Fellowships	194,400
Chancellor's Fund	<u>451,627</u> (1)
Subtotal - Pogue Fund	<u>3,021,327</u>
Clayton Fund:	
Chancellor's Carolina Scholars Program	867,400
Faculty Research and Study	53,700
Jr. Faculty Development	92,600
Library Acquisitions	57,500
University Research Council	150,000
Scholarships	73,100
Fellowships	58,300
Undergraduate Advising	231,500
Chancellor's Fund	<u>742,851</u> (1)
Subtotal - Clayton Fund	<u>2,326,951</u>
Other Unrestricted	<u>791,990</u>
Total Unrestricted	<u>6,140,268</u>
Grand Total	<u><u>\$58,921,596</u></u>

- (1) Some of this allocation has been previously committed by the Chancellor.

NOTES TO THE PROPOSED ENDOWMENT TRANSFER OF FUNDS JUNE 2013

Consistent with the procedures for implementing the Uniform Prudent Management of Institutional Funds Act (UPMIFA) presented to the Board of Trustees of the Endowment Fund in 2009, the recommended distribution and transfer exclude any invasion of principal. There were no underwater endowments at the end of fiscal year 2012-13, so the distribution and transfer were not reduced from the calculated payout distribution.

The Restricted Funds amount is a direct pass through of the approved Investment Fund distribution. Unlike June 2008 and previous years, the distribution and transfer for certain Unrestricted Funds do not include previously approved increased transfers. The allowable increased transfers are being suspended for the June 2013 distribution but may continue in subsequent years consistent with previous Board actions.

The Unrestricted Funds category reflects allocations as recommended by University management to the Board for approval. Unrestricted Funds in the *Pogue Fund – Chancellor's Fund*, the *Clayton Fund - Chancellor's Fund* and the *Other Unrestricted* categories are allocated by the University Budget Committee.

Designated, unrestricted allocations were reduced by 7.4 percent in June 2010, consistent with the reduction in the approved Chapel Hill Investment Fund distribution. The same allocation levels were continued in June 2011 and June 2012. Although partial or full restoration was considered, the recommended allocations for designated, unrestricted funds remain at June 2012 levels.

Unspent prior year allocations are not carried forward for use by the campus unit but are available for reallocation by the University's Budget Committee. The recent history of the unrestricted allocations follows:

	2013	2012	2011	2010	2009
Unrestricted Funds:					
Pogue Fund:					
Development Program	\$1,435,000	\$1,435,000	\$1,435,000	\$1,435,000	\$1,550,000
Library Acquisitions	247,700	247,700	247,700	247,700	267,500
Approved Research/Study	152,800	152,800	152,800	152,800	165,000
Scholarships	539,800	539,800	539,800	539,800	583,000
Fellowships	194,400	194,400	194,400	194,400	210,000
Chancellor's Fund / Unallocated	451,627	445,924	383,858	333,476	392,271
Subtotal - Pogue Fund	3,021,327	3,015,624	2,953,558	2,903,176	3,167,771
Clayton Fund:					
Chancellor's Carolina Scholars	867,400	867,400	867,400	867,400	936,893
Faculty Research and Study *	53,700	-	-	-	-
Jr. Faculty Development *	92,600	-	-	-	-
Library Acquisitions *	57,500	-	-	-	-
University Research Council *	150,000	-	-	-	-
Scholarships *	73,100	-	-	-	-
Fellowships *	58,300	-	-	-	-
Undergraduate Advising	231,500	231,500	231,500	231,500	250,000
Chancellor's Fund / Programs	742,851	1,223,174	1,172,443	1,133,270	1,248,194
Subtotal - Clayton Fund	2,326,951	2,322,074	2,271,343	2,232,170	2,435,087
Other Unrestricted	791,990	760,979	738,564	723,779	785,437
Total	\$6,140,268	\$6,098,677	\$5,963,465	\$5,859,125	\$6,388,295

- * Allocations for Faculty Research and Study, Jr. Faculty Development, Library Acquisitions, University Research Council, Scholarships, and Fellowships are discontinued from the University of North Carolina at Chapel Hill Foundation, Inc. and are recommended to be transferred to the distribution from the *Clayton Fund* for June 2013. The change in funding source will allow the Foundation's unrestricted distribution to be allocated for other important needs supporting the University.

**THE UNIVERSITY OF NORTH CAROLINA AT CHAPEL HILL
APPROVAL PROCESS FOR ENDOWMENT PAYOUT**

UNC-CHAPEL HILL FOUNDATION INVESTMENT FUND, INC.

The Investment Fund's purpose is to support the University by operating an investment fund for charitable, nonprofit foundations, associations, trusts, endowments and funds that are organized and operated primarily to support the University.

Pay its earnings to its participating investors on a total return basis.

Annually authorizes a distribution (or payout) to its participants according to a formula adopted by the Investment Fund Board.

Rate is set a year in advance and is approximately 5% of the Fund.

Distribution is paid to participants on 6/30.

UNC-CHAPEL HILL FOUNDATION, INC.

The Foundation's purpose is to aid, support, and promote teaching, research and service in the various educational, scientific, scholarly, professional, artistic and creative endeavors of the University.

Board of Directors approves the transfer of all (or a portion) of its distribution from the Investment Fund to the University for expenditure during the fiscal year (7/1 – 6/30) after the Investment Fund distributes.

The retained portion may be expended by the Foundation on behalf of the University.

Potential expenditures are categorized by donor restrictions (or lack thereof).

UNC-CHAPEL HILL ENDOWMENT FUND

Pursuant to N.C. statutes and Board of Governors regulations, the Board of Trustees of each constituent UNC institution must establish and maintain an endowment fund for the institution.

Board of Trustees of Endowment Fund approves the transfer of the distribution from the Investment Fund to the University for expenditure during the fiscal year (7/1 – 6/30) after the Investment Fund distributes.

Potential expenditures are categorized by donor restrictions (or lack thereof).

UNC-CHAPEL HILL BOARD OF TRUSTEES

Pursuant to Board of Governors regulations, the Board of Trustees must approve the transfer of the distribution from the Endowment to the University.

The Board of Trustees does not approve the Foundation or the Investment Fund actions.

The University of North Carolina at Chapel Hill Foundation, Inc.
Spring 2013 Policies and Procedures Update
Updated Section Excerpts

2.2 ANNUAL TRANSFERS AND CAPITAL BUDGETS

Policy Statement

Annual Transfers Budget:

Each year the Board of Directors will be presented with a list of recommended transfers, which once approved will represent the budget of the Foundation. Unless otherwise approved by the Board of Directors, the transfer will equal the amount distributed to the Foundation by the University of North Carolina at Chapel Hill Foundation Investment Fund, Inc. (CHIF). The approved amount to be transferred will be distributed ~~on a pro rata basis~~ to appropriate recipient accounts at the beginning of the fiscal year. These transfers will not be adjusted when contributions are received or income is earned during the fiscal year. The transfers will be limited if necessary in order to comply with the requirements of the Uniform [Prudent](#) Management of Institutional Funds Act (UPMIFA). UPMIFA provides guidance on the expenditure of appreciation of endowment funds. [Refer to Appendix K for information regarding the administration of underwater endowments.](#)

The transfers will consist of two categories – restricted endowment earnings and unrestricted endowment earnings. Restricted endowment earnings are a direct pass through of the approved CHIF distribution. Restricted endowment earnings transfer directly to the University for expenditure consistent with the restricted uses.

Unrestricted endowment earnings may be transferred to the University or retained in the Foundation for expenditure consistent with the designated purposes recommended by University management and approved by the Board of Directors. Allocations for University Administration are expended as authorized by the University Budget Committee. Allocations for Foundation Administration are expended as authorized by the Executive Director and Treasurer.

To supplement unrestricted endowment earnings allocated to “University Administration” and “Foundation Administration”, the Board of Directors may authorize the transfer of ~~other~~ [additional](#) unrestricted funds for these purposes.

Funds in the “University Administration” category are allocated to benefit various program areas of the University of North Carolina at Chapel Hill. If these funds remain within the Foundation, the related expenses by the program areas must

comply with the policies of the Foundation (e.g. travel, business entertainment, etc). For funds transferred to the University for "University Administration", the related expenses by the program areas must comply with University policies. Additional guidance from the Budget Committee regarding use of the "University Administration" allocation and the treatment of unspent prior year funds can be found in Appendix J.

Funds in the "Foundation Administration" category are allocated to cover the administrative costs of the Foundation that are of a recurring nature (e.g. audit and legal fees, meeting expenses) and special program allocations that are of a one-time nature (e.g. special project of a short duration). Prior to the beginning of the fiscal year, a detailed budget of proposed allocations for this transfer category is presented by the Treasurer to the Executive Director for approval. A mid-year request for a new allocation or an amendment to a current allocation should be submitted to the Treasurer for preliminary review. The Treasurer will then forward the request to the Executive Director for final approval.

For [specific](#) recurring allocations in the "Foundation Administration" category (e.g. audit and legal fees, meeting expenses), any unspent prior year funds [allocated for a specified purpose](#) are not carried forward and thus returned to the Foundation Administration account, unless an exception is authorized by the Executive Director and Treasurer. If an exception is authorized, the funds [allocated for a specific purpose](#) will be carried forward. Any unspent funds from a one-time allocation (e.g. special project of a short duration) will automatically carry forward at year end to fulfill the intended purpose of the one-time allocation. Any unspent funds remaining after the special project has been completed will not carry forward, and thus will return to the Foundation Administration account.

Capital Budget:

For construction projects managed completely within the Foundation, a capital budget will be prepared and submitted to the Executive Director and the Treasurer for approval.

Updated:

Contact Person: Treasurer

4.5 CAPITAL ASSET ACCOUNTING

Policy Statement

The Capital Asset policy is intended to outline the guidelines for acquiring, maintaining, transferring, and disposing of capital assets.

Physical assets are capitalized as property and equipment on the Foundation's financial statements in accordance with Generally Accepted Accounting Principles.

Automobiles and artwork are usually retained as capital assets (For considerations related to automobile purchases, please refer to section "7.6 LEASE AGREEMENTS. Automobile Leases"). Property or equipment are either retained by the Foundation or transferred to the University as circumstances dictate. The value of facilities purchased from Foundation funds and transferred to the University will include the assets' purchase cost, plus costs of acquisition, handling, financing, valuation, and transfer, less applicable depreciation charged to the asset in accordance with Foundation depreciation policy. Other capital assets such as furniture, fixtures and equipment will be immediately gifted to the University. Exceptions may be made based upon individual circumstances.

Capitalized property and equipment additions are accounted for at their historical cost and all such assets, except land and certain works of art and historical treasures, are subject to depreciation over their estimated useful lives.

Proper control procedures will be followed for all capital asset acquisitions, transfers, and dispositions in order to provide internal control of capital equipment and to assist in reporting. Foundation and University staff are responsible and accountable for art work, automobiles, and any other capital assets under their control. The Controller's Office will assist and evaluate any department's capital asset control procedures.

The Controller's Office will conduct an annual inventory of capital assets and reconcile the inventory with the Foundation's general ledger.

Updated:

Contact Person: Assistant Vice
President and University Controller

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7. DISBURSEMENTS

7.1 GENERAL STATEMENT

Policy Statement

Foundation funds are made available by the Board of Directors to support the ~~teaching, research and public service missions of the~~ University. In order to provide for consistency and uniformity in the procurement of goods and services to carry out these missions, the following guidelines are provided:

- Subject to such restrictions as may be imposed in connection with gifts to the Foundation, all money and properties of the Foundation shall be expendable at the discretion of the Directors in accordance with the objects and purposes of the Foundation as set forth in the Articles of Incorporation.
- Uses of Foundation funds must meet the lawful restrictions imposed by the donor, if any. Upon acceptance of restricted funds, the appropriate University and Foundation staff will be notified regarding the availability of restricted funds. Departmental business managers are required to retain copies of gift or account agreements. It is the responsibility of the departmental business managers to know the restrictions and to only process expenditures consistent with these restrictions. The University and Foundation retain the right to refuse to process any disbursement which appears to violate the Donor's restrictions.
- Expenses must have a business purpose and should meet the prudent person test. All expenditures must be reasonable in amount and be commensurate with the expected benefit. The propriety of expenditures is the responsibility of the Account Manager. In addition, sensitivity to the appearance of proper use is expected. Items not permitted for purchase from University funds (e.g. alcohol, gifts, and travel expenses above state per diems) are permitted with Foundation funds assuming these guidelines are met.
- Expenses shall not exceed the approved budget from income allocated for such purposes.
- Regardless of the dollar amount of the expenditure, competitive bidding is not required for items purchased solely with Foundation funds. However when as appropriate, an open solicitation process is encouraged to ensure competitive pricing.

- In order to be processed, disbursement requests must be supported by a clear business purpose indicating that the request for payment is in compliance with the account restrictions and an original invoice or receipt, ~~or an explanation as to why no receipt is available.~~
- Proper internal control will be followed to ensure that only valid and authorized payables are recorded and paid. Accounting procedures will be implemented to ensure the accuracy of amounts, coding of general ledger accounts, and appropriate timing of payments.

Comment [LU1]: Deleted this provision to reinforce , through omission, need for original receipt/invoice.

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Updated:

Contact Person: Assistant Vice
President and University Controller

7.2 BUSINESS EXPENSES

Policy Statement

Expenses directly related to or associated with the conduct of Foundation or University business are reimbursable—for example, a meal, with a prospective donor in an environment without substantial distractions at which business is discussed with an expectation of a business benefit, including, but not limited to, an anticipated gift.

Meal and entertainment expenses of University guests are also reimbursable expenses. Examples of University guests include, but are not limited to, visiting lecturers, visitors from foreign countries, representatives of research organizations, visitors from other universities, individuals interested in University programs and issues, potential donors, guests invited to assist in the development of new programs, consultants, business leaders and community leaders.

Business meals with one or more University employees, receptions with alumni and friends of the University, employee recognition events and seminars are also examples of reimbursable expenses.

~~Business entertainment is essential to carry out the work of the Foundation. The purpose of this policy is to provide guidance as to the type expenses that qualify as business expenses under Foundation policy and the documentation requirements for business expenses.~~

~~Expenses must be directly related to or associated with the conduct of Foundation or University business. For example, during a meal, business must be discussed with an expectation of a business benefit, including an anticipated gift. There should be no substantial distractions at the site of the meal.~~

~~Meal and entertainment expenses of University guests are permissible. Examples of official guests include, but are not limited to, the following: visiting lecturers, visitors from foreign countries, representatives of research organizations, visitors from other universities, individuals interested in University programs and issues, potential donors, guests invited to assist in the development of new programs, consultants, business leaders and community leaders.~~

~~Business meals with one or more University employees, receptions with alumni and friends of the University, employee recognition events and seminars are also reimbursable as business entertainment expenses.~~

Alcohol may be purchased from Foundation funds.

Club (e.g. Carolina Club, Country Club) membership fees (e.g. Carolina Club, Country Club), excluding initiation/application fees, are allowable from Foundation funds, if approved by the Executive Director. In the cases of the Executive Director, such fees must be approved by the Chancellor or Chancellor's designee. Under special circumstances, initiation/application fees may be allowable from Foundation funds if approved by the Chancellor. Such decisions will be made on a case by case basis. A memorandum outlining the business purpose of the requested membership should be submitted to the Executive Director (or the Chancellor or Chancellor's designee in the case of the Executive Director) for his/her use in reaching a decision. The use of club memberships for personal reasons and business purposes must be tracked by the member, so the related personal use of the membership fee can be included as taxable income to the individual (See Appendix H.1)¹. The Office of University Controller will send a notice each year requesting the information.

Tickets to University athletic events or University cultural events may be purchased only for individuals participating in official University or Foundation business and must be approved by the Executive Director of the Foundation.

The Foundation will reimburse expenses for professional subscriptions and periodicals and for professional associations and organizations subject to the approval of the Executive Director. In the case of the Executive Director, such expenses will be approved by the Chancellor or the Chancellor's designee..

Business entertainment expenses must meet the documentation standards of the University except for situations where the Foundation provides a policy exception (e.g. excess per diem limits are allowed, club membership dues). In those cases the documentation standards for the allowable exception will follow prudent business practices, including, but not limited to, original receipts and invoices. In all cases, the documentation must include a list of all participants and/or beneficiaries and the purpose of the expense. All entertainment expenses must be approved by the employee's supervisor in the sample form as presented in Appendix L as used for credit cards (please note that expenses incurred on a Foundation credit card must be documented in a separate memorandum from expenses not incurred through a Foundation credit card)- All expenses in excess of \$2,500 must be pre-approved by the employee's supervisor. In the case of the Executive Director, all expenses in excess of \$5,000 must be pre-approved by the Chancellor or the Chancellor's designee). Expenses incurred with a Foundation credit card are subject to the policy and procedure of Section 7.5 Credit Cards, and expenses incurred in connection with travel are subject to the policies and procedures of Section 7.7 Travel.

Updated:

Contact Person: Assistant Vice President and University Controller

7.3 COMMUNICATION EXPENSES

Policy Statement

Since the University has provisions for a monthly stipend for mobile communication devices for most employees affiliated with the Foundation, the Foundation will not provide mobile communication devices to individuals.

Expenses ~~for cell phones, land lines, and~~ telephone calls while in travel status are allowable while conducting official Foundation or University business. While in travel status, individuals are allowed personal calls. Such calls should be reasonable in frequency and duration (prudent person test). ~~Residential internet services deemed necessary to conduct Foundation or University business are also allowable expenses, if approved by the Executive Director.~~

All expenses are subject to the submittal of original receipts or invoices and are subject to the approval of the individual's supervisor.

Updated:

Contact Person: Assistant Vice
President and University Controller

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7.5 CREDIT CARDS

Policy Statement

The Foundation credit card is intended to provide an efficient procurement and payment process. Foundation credit cards may be issued to University employees, as authorized by the Executive Director of the Foundation. The cardholder to whom the card is issued is the only person authorized to make purchases using the card. The redemption of points earned from credit card purchases is restricted to airline tickets for business travel.

Credit card charges expensed to University accounts are subject to University policies, with charges expensed to Foundation accounts subject to the policies as described in this manual. Personal use of the credit card is not permitted.

Individual credit card transaction balances must not exceed the set dollar limit for the card. ~~Cardholders are required to submit original receipts as soon as possible.~~ Someone other than the cardholder must reconcile the expenditures against the credit card statement on a monthly basis.

~~Approval by the cardholder's supervisor or an approved designee is required. In the case of expenses by the Chancellor, approvals required by the Executive Vice Chancellor/Provost or the Vice Chancellor for Finance and Administration or their approved designees.~~

Expenses paid by credit card must be fully documented. A justification memorandum for expenses paid by credit card is prepared, signed by the cardholder, and sent to the cardholder's supervisor for signature. The justification memorandum lists each credit card charge and includes the merchant name, the transaction date, a description of the business purpose of the expense, the expense amount, and the cost code. Cardholders are required to submit original credit card receipts as documentation. Appendix L includes a sample justification memorandum and detailed procedures for the preparation of the memorandum.

The justification memorandum that is signed by the cardholder and supervisor and the original receipts are used to document the expenses recorded to the Foundation's accounting records.

Updated: 10/11/12

Contact Person: Assistant Vice
President and University Controller

7.6 LEASE AGREEMENTS

Policy Statement

If property (e.g. real estate or equipment) is to be required on a continuing basis, a purchase may be more economical than a lease. Please refer to the CAPITAL ASSET ACCOUNTING section for a discussion on purchasing (including lease-purchasing) assets.

In certain circumstances it may be more desirable to enter into an operating lease agreement. The initial cost of some equipment is so great that when required, it may be more economical to lease the asset on an indefinite basis. Also, if updated versions of this type of equipment are constantly placed on the market, it may be unwise to invest large sums in equipment that may soon be obsolete. Similarly, it may be more advantageous to enter into a property lease at a more desirable location rather than purchase property at an undesirable location.

Property Leases

The Foundation may lease space for the benefit of University as approved by the Executive Committee or the Board of Directors. The Foundation enters into lease arrangements in order to alleviate University space needs, to expedite the leasing process, or to provide other benefits to the University. Generally, concurrently with the execution of the Foundation lease, the Foundation will enter into an agreement with the University to be reimbursed fully for the cost of the space from University funds. Foundation lease and related arrangements that do not concurrently provide for full reimbursement from the University shall identify the financing arrangements to the Executive Committee or Board of Directors during the approval process.

The Foundation may lease space for its own purposes as approved by the Executive Committee or the Board of Directors.

Automobile Leases (and Purchases)

The Foundation may lease (or purchase) automobiles, in the name of the Foundation, for use by certain employees of the University ~~as determined by the University Trustees and Chancellor~~ in accordance with the University's Policy and Procedures on Non-salary and Deferred Compensation <http://hr.unc.edu/policies-procedures-systems/epa-non-faculty-employee-policies/compensation-and-pay/policy-and-procedures-on-non-salary-and-deferred-compensation-of-the-university-of-north-carolina-at-chapel-hill/#1> Purpose. The type and price of automobile must be reasonable in light of its intended use. Lease (or purchase) negotiations are the responsibility of the

department of each of the designated driver(s). Agreements must be reviewed by Counsel prior to signature by the Executive Director or Treasurer of the Foundation. Assistance with the acquisition and negotiation of price is available from the UNC Office of [ProcurementPurchasing](#) Services. The Foundation will maintain leased [\(and purchased\)](#) automobiles in good condition and provide insurance on the vehicles and the drivers. The commercial auto insurance policy is negotiated by the UNC Risk Management Services Office.

The following conditions apply to the use of leased [\(and purchased\)](#) automobiles.

- Automobiles are provided to certain officers of the University (designated driver), for their own use. However, another licensed family member or authorized UNC personnel may operate the vehicle for limited durations.
- Designated drivers are required to see that routine repairs and maintenance (oil change, lubrication, tire rotation, inspection) are performed. All expenses of this nature should be budgeted and processed by the department against the departmental allocation of Foundation funds for the vehicle.
- [Designated drivers are responsible for submitting an annual Statement from Employee Regarding the Use of Employer-Provided Vehicle to the Controller in order to meet IRS tax requirements \(Appendix H.2\).](#)
- [Designated drivers are responsible for maintaining detail records of business and personal miles driven and for providing these records for review upon request. Commuting mileage is not considered business mileage.](#)
- [The Foundation will reimburse expenses for fuel used in connection with business purposes and supported by the above-referenced records of business and personal mileage. Expenses must be supported by original receipts.](#)

Automobile Leases - Procedure

Step 1

Determine the appropriate departmental allocation of Foundation funds for automobile expenses. The allocation should be sufficient to cover:

- Monthly lease payments
- Annual property tax and tag renewal (if not included in the monthly lease payment)
- Routine maintenance, repairs and operations (fuel, oil change, lubrication, tire rotation, emission inspection)
- Auto insurance premiums (contact Risk Management Services regarding premium costs)

Requests to establish a new allocation or adjust an existing allocation should be sent to the Treasurer of the Foundation prior to negotiating a new lease. The request should include detailed information on the type automobile preferred, the

estimated cost (see above), the term and any other pertinent information. The Treasurer will discuss the request with the Executive Director and notify the department.

Step 2

There are two ways to approach the lease negotiation. Option I - The department can contact Purchasing Services for assistance with the negotiation process, or Option II. - The department may perform the negotiation.

Option I - Performed by Purchasing Services

- Purchasing Services staff will manage the necessary negotiation with the dealership, gather and prepare all paperwork, and ensure proper review and signature of the contract.
- The department will be responsible for arranging to pick up the automobile.

Option II. - Performed by the Department

- The Foundation [has a corporate resolution authorizing signing of documents, does not allow the signature of a personal guarantor or the use of a corporate resolution other than its own.](#) Keep this in mind when selecting the dealership and leasing companies.
- Make it very clear to the vehicle dealership upfront that this is a negotiation of a **corporate** lease, not an **individual** lease.
- Notify University Counsel that a new vehicle lease is being negotiated, and the approximate date the contract will be presented to University Counsel for review.
- Contact the Assistant Secretary of the Foundation to obtain a copy of the Foundation resolution.
- Fax the credit application to the Office of the University Controller for completion. The application will be returned to the department for submission to the dealership.
- Contact Risk Management Services (RMS) to obtain information the dealership will require related to insurance for the automobile. RMS is responsible for processing the semiannual insurance premium payments against the departmental Foundation vehicle allocation.
- Once the lease contract negotiations are complete, the contract must be reviewed by University Counsel prior to signature by the Executive Director or the Treasurer of the Foundation.
- The department should make arrangements with the dealership to submit the signed contract and take delivery of the automobile.
- Provide a copy of the lease contract to the Office of the University Controller.

Step 3

Due to the length of time required to complete the contract and take possession of the automobile, the first payment invoice may be late. The department should take special note of the monthly payment due date on the lease contract, and initiate the first monthly payment on time. A copy of the lease contract and/or the automobile registration may be submitted to Disbursement Services as documentation of the first payment.

Once the first regular monthly lease payment has been processed, the remaining monthly payments can be scheduled to process automatically. Contact the Disbursement & Travel Services Operations Manager for help setting up the automatic payments.

Reconcile the monthly invoices against the scheduled automatic payment. Some leases include the property tax in the monthly lease payment, and some do not. If the property tax is not included in the monthly lease payment, it will be billed annually as an additional cost on a monthly lease invoice. A separate check request will need to be prepared to make the payment for the property tax in excess of the standard monthly payment amount.

The annual registration renewal will arrive in the mail from the North Carolina Department of Transportation (NCDOT) Division of Motor Vehicles (DMV) and may be processed online. The renewal of the registration will generate the property tax bill. If the property tax isn't included in the monthly lease payments, expect the property tax to be included on the monthly lease invoice approximately three months after the registration renewal. The registration renewal notice is also an excellent reminder to schedule the annual inspection.

The designated drivers are responsible for tracking personal use and business use miles. This data will be necessary to complete the annual "Statement from Employee Regarding Use of Employer-Provided Vehicle" (Appendix [H.2F](#)). [Use of an automobile for personal reasons must be reported for tax purposes, and is considered taxable income.](#) If you have any questions about the form or the documentation necessary, please contact the Office of the University Controller.

Step 4

It is very important for the department to plan ahead when securing a new lease. Keep track of the number of lease payments remaining. The leasing corporation often sends out a 90 day lease termination package as a reminder that the lease is coming to an end. Well in advance of the termination, the designated driver should seek approval from the Executive Director or Treasurer regarding the preferred method of disposition (e.g. turn-in, trade, or personal purchase). If the vehicle is being turned-in, the department is responsible for contacting the leasing corporation to arrange for the final vehicle inspection and processing any final payment obligations. Please remember the monthly lease payments are scheduled to automatically pay through the end of the lease contract.

Updated:

Contact Person: Assistant Vice

	President and University Controller
--	-------------------------------------

7.7 TRAVEL

Policy Statement

Individuals often incur travel expenses while carrying out official business of the Foundation or the University. Travel, subsistence, and other allowed expenditures that are usual and reasonable in nature will be reimbursed to those traveling on official business.

In the event that expenses are incurred by individuals who are not University employees, for example, spouses, significant others or volunteers, conducting official business, but those individuals are acting in an official capacity for the Foundation or University, the expenses are allowable but must follow Foundation policies. In the case of the spouse or significant other of the Executive Director, pre-approval is required by the Chancellor or the Chancellor's designee. For the spouses or significant others of all other parties in connection with an official event, pre-approval is required by the Executive Director of the Foundation.

Individuals traveling locally or overnight (out-of town) on official business should incur only those expenses that are reasonable to ensure safety and productivity while causing minimal personal inconvenience. Travel expenses must reflect responsible consideration of cost, efficiency, and prudent use of Foundation funds.

Pre-approval of travel by the traveler's supervisor or an approved designee is required except that pre-approval is not required for travel by the Chancellor or the Executive Director.

Approvals of travel reimbursements should follow the same approval path as the pre-approval for travel. In the case of the Chancellor, travel reimbursements are to be approved by the Executive Vice Chancellor and Provost or the Vice Chancellor for Finance and Administration or their designees. In the case of the Executive Director, travel reimbursements are to be approved by the Chancellor or the Chancellor's designee.

Travel on a University Medical Air Operations plane is permitted, when less costly than commercial airline travel or in the event of a time-sensitive need (for example, to attend the funeral of a major supporter), but is subject to the Medical Air Operations Use Policy, related NC AHEC policies, and the provisions of this policy. All prospective passengers traveling on behalf of the Foundation must be approved by the AHEC Air Transportation Coordinator. In addition travel on a Medical Air Operations plane should not be used in any instance that would involve "deadhead" miles. Approval is required in the same manner as transportation by other means.

Travel expenses must meet the documentation standards of the University except for situations where the Foundation provides an exception. In these cases the documentation standards for the allowable exception will follow prudent business practices. Those exceptions are:

- Excess travel costs above the State's per diem limits are allowed.

- Business or first class airfare is allowed when an adequate justification is presented to and approved by the Executive Director for the following circumstances:
 - Domestic travel by business or first class is permitted if the administrator is accompanying a major donor or dignitary who is traveling by business or first class.
 - International travel by business or first class is permitted.
 - Business or first class travel is permitted for documented medical considerations.
 - The use of business or first class airfare by the Executive Director must be approved by the Chancellor.

All expense reimbursement claims are processed through the University's Office of Travel Services. Foundation credit cards will serve as the only mechanism of assisting with travel advances.

For international travel, traveler's should obtain travel insurance.

Updated: 05/ /13

Contact Person: Assistant Vice President and University Controller

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**Administration of Underwater Endowments for
The University of North Carolina at Chapel Hill Foundation, Inc.**

Underwater endowments are those where the market value of the endowment is less than its historic dollar value. If the calculated distribution is made for an underwater endowment, the endowment principal is invaded and the future earnings potential of the endowment is compromised. Therefore, it is prudent to adopt a policy to govern underwater endowments. The endowment spending rules contained in the Uniform Prudent Management of Institutional Funds Act (UPMIFA) require that an endowment, foundation or other charitable organization act in good faith, with the care that a prudent person would ordinarily exercise under similar circumstances and consider, if relevant, the following seven factors:

1. The duration and preservation of the endowment fund
2. The purposes of the institution and the endowment fund
3. General economic conditions
4. The possible effect of inflation and deflation
5. The expected total return from income and the appreciation of investments
6. Other resources of the institution
7. The investment policy of the institution.

The position of the University of North Carolina at Chapel Hill Foundation, Inc. is that implementing the flexibility afforded by UPMIFA to invade principal should be an **option of last resort**.

The Board of Directors, on June 26, 2009, developed and prioritized steps to be taken in evaluating spending from underwater endowments:

- Examine the activity supported by each underwater endowment to determine if it is essential to continue in the upcoming fiscal year or if it can be deferred.
- If it is determined that continuing the activity is essential, pursue the following funding options in this order:
 - Use any income from the prior year's distribution remaining in the endowment's spending account;
 - Use any unspent income that has been re-invested into the endowment;
 - Seek other institutional funds to support the activity.
- If, after considering the funding options described above and reviewing the applicable endowment agreement, it is determined that invading the principal of an endowment fund may be prudent, contact the donor and discuss the following alternatives:
 - An expendable gift equal to or in excess of the amount needed to avoid invading principal; or
 - Invading principal, subject to prudent limitations on expenditures, so that the actual distribution is reduced by 2.5% of the calculated distribution for each 1% the endowment is underwater with no use of principal if the endowment is 20% or more underwater.

Administration of Underwater Endowments for The University of North Carolina at Chapel Hill Foundation, Inc.

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THE UNIVERSITY OF NORTH CAROLINA AT CHAPEL HILL
Office of the Chancellor

INTERNAL AUDIT CHARTER

Introduction

Internal auditing is an independent and objective assurance and consulting activity that is guided by a philosophy of adding value to improve the operations of the University of North Carolina at Chapel Hill (University). Internal auditing assists the University in accomplishing its objectives by bringing a systematic and disciplined approach to evaluate and improve the effectiveness of the organization's risk management, control, and governance processes.

Professionalism

The Internal Audit Department (Department) will govern itself by adherence to The Institute of Internal Auditors' mandatory guidance including the Definition of Internal Auditing, the Code of Ethics, and the *International Standards for the Professional Practice of Internal Auditing (Standards)*. This mandatory guidance constitutes principles of the fundamental requirements for the professional practice of internal auditing and for evaluating the effectiveness of the internal audit activity's performance.

The Institute of Internal Auditors' Practice Advisories, Practice Guides, and Position Papers will also be adhered to as applicable to guide operations. In addition, the Department will adhere to the University's relevant policies and procedures and the Department's *Policies and Procedures Manual*.

Organization

The Director of Internal Audit reports functionally to the Chairperson of the Finance and Infrastructure Committee (FIC) of the University's Board of Trustees (Board) and administratively (i.e. day to day operations) to the Chancellor of the University.

The FIC will approve all decisions regarding the appointment or removal of the Director of Internal Audit. The Director of Internal Audit will communicate and interact directly with the Board including in executive sessions and between Board meetings as appropriate.

Authority

The Department, with strict accountability for confidentiality and safeguarding records and information, is authorized full, free, and unrestricted access to any and all University records, physical properties, and personnel pertinent to carrying out any audit project. All University employees are requested to assist the Department's staff in conducting audit projects. The internal audit activity will also have free and unrestricted access to the Board.

Independence and Objectivity

The Department will remain free from interference regarding audit selection, scope, procedures, frequency, timing, or report content. In addition, Department staff will maintain an independent and objective mental attitude in all audit-related matters.

Internal auditors will have no direct operational responsibility or authority over any of the activities audited. Accordingly, they will not implement internal controls, develop procedures, install systems, prepare records, or engage in any other activity that may impair an internal auditor's judgment.



THE UNIVERSITY OF NORTH CAROLINA AT CHAPEL HILL
Office of the Chancellor

INTERNAL AUDIT CHARTER

Internal auditors must exhibit the highest level of professional objectivity in gathering, evaluating, and communicating information about the activity or process being reviewed. Internal auditors must make a balanced assessment of all the relevant circumstances and not be unduly influenced by their own interests or by others in forming judgments.

The Director of Internal Audit will confirm to the Board, at least annually, the organizational independence of the internal audit activity.

Responsibility

The scope of internal auditing encompasses, but is not limited to, the examination and evaluation of the adequacy and effectiveness of the organization's governance, risk management, and internal process as well as the quality of performance in carrying out assigned responsibilities to achieve the organization's stated goals and objectives. These responsibilities include:

- Evaluating the reliability and integrity of information and the means used to identify, measure, classify, and report such information;
- Evaluating the systems established to ensure compliance with those policies, plans, procedures, laws, and regulations which could have a significant impact on the organization;
- Evaluating the means of safeguarding assets and, as appropriate, verifying the existence of such assets;
- Evaluating the effectiveness and efficiency with which resources are employed;
- Evaluating operations or programs to ascertain whether results are consistent with established objectives and goals and whether the operations or programs are being carried out as planned;
- Monitoring and evaluating governance processes;
- Monitoring and evaluating the effectiveness of the organization's risk management processes;
- Performing consulting and advisory services related to governance, risk management and control as appropriate for the organization;
- Reporting periodically on the internal audit activity's purpose, authority, responsibility, and performance relative to its plan;
- Reporting significant risk exposures and control issues, including fraud risks, governance issues, and other matters needed or requested by the Board; and
- Evaluating specific operations at the request of the Board or management, as appropriate.

Internal Audit Plan

At least annually, the Director of Internal Audit will submit an internal audit work plan to the FIC for review and approval. When necessary, the Director of Internal Audit will communicate the impact of resource limitations and significant interim changes to senior management and the FIC.



THE UNIVERSITY OF NORTH CAROLINA AT CHAPEL HILL
Office of the Chancellor

INTERNAL AUDIT CHARTER

The internal audit plan will be developed based on a prioritization of the audit universe using a risk-based methodology, including input of senior management and the board. Any significant deviation from the approved internal audit plan will be communicated to senior management and the FIC through periodic activity reports.

Reporting and Monitoring

The Director of Internal Audit or a designee will prepare a written report following the conclusion of each internal audit project other than small consulting projects. Audit reports and close-out letters will be distributed to appropriate members of University management, all members of the Board, UNC General Administration, and the Council of Internal Auditing.

Internal audit reports will typically include management's response regarding corrective action taken or to be taken in regard to the specific findings. Management's response should include a timetable for anticipated completion of planned corrective action and an explanation for any findings that will not be corrected. If management elects not to correct a finding, its response should include a statement accepting the risk from choosing not to address a reported condition.

The Internal Audit Department will be responsible for appropriate follow-up on audit findings. All reported findings will remain in an open issues file until cleared.

Periodic Assessment

The Director of Internal Audit will periodically report to senior management and the Board on the internal audit activity's purpose, authority, and responsibility, as well as performance relative to its work plan. Reporting will also include significant risk exposures and control issues, including fraud risks, governance issues, and other matters needed or requested by senior management and the Board.

In addition, the Director of Internal Audit will communicate to senior management and the Board on the internal audit activity's quality assurance and improvement program, including results of ongoing internal assessments and external assessments conducted at least every five years.

Approved this _____ day of _____, _____.

Director of Internal Audit

Chancellor

Chairperson of the Finance and Infrastructure Committee of the Board of Trustees

7 June 2013

2013 JUN 10 AM 9 08

Ms. Elizabeth Lyon, RA
Campus Historic Preservation Officer
Facilities Planning
University of North Carolina at Chapel Hill
CB#1090, Giles F. Horney Building, Suite 202
103 Airport Drive
Chapel, Hill, North Carolina 27599-1090



QUINN EVANS
ARCHITECTS

2121 WARD PLACE, NW, 4TH FLOOR
WASHINGTON, DC 20037
202 298 6700

RE: **RENOVATION OF LOBBY AND ROTUNDA & RENOVATION AND EXPANSION
OF AUDITORIUM - HILL HALL
THE UNIVERSITY OF NORTH CAROLINA AT CHAPEL HILL**

Subject: Quinn Evans Architects Expression of Interest and Team Qualifications

Dear Ms. Lyon and Members of the Selection Committee:

Quinn Evans Architects is pleased to submit our proposal to your for the referenced renovation projects within Hill Hall at the University of North Carolina at Chapel Hill.

As a nationally recognized expert in the design of cultural arts facilities with an extensive history of experience working with major institutions of higher learning throughout the nation, coupled with a reputation as a national leader in the adaptive reuse and renovation of existing buildings, QEA is perfectly suited to meet the specialized needs of this project.

- **We are nationally reputed leaders in historic preservation.** We have a thorough understanding of the unique issues involved with the renewal and renovation of historically significant and existing buildings. We bring a long-standing commitment to sustainable design; our contribution to the advancement of sustainability is most widely recognized for our sustainable preservation work, practiced at the intersection of historic preservation and sustainable design.
- **QEA brings specialized expertise in performing arts projects.** Our nationally-recognized professionals have successfully completed the renovations for performing arts programs in dance, theater, and music. Our clients include some of the most revered arts institutions in the country including the John F. Kennedy Center for the Performing Arts, the Peabody Conservatory at the Johns Hopkins University and the renowned Hill Auditorium at the University of Michigan.
- **The firm has a long history of working with college and universities.** Our clients include several of the nation's most prestigious institutions of higher learning such as the Johns Hopkins University, American University, Georgetown University, George Washington University, the College of William and Mary, the University of Virginia, University of Mary Washington, University of Michigan, and Vanderbilt University.
- **We are effective at engaging and building consensus among the stakeholders.** We have significant experience working with administrative individuals, facilities management professionals, faculty, students, and other building users in developing a successful design to meet the needs of each of these distinct groups.¹

WASHINGTON, DC
ANN ARBOR, MI
DETROIT, MI
MADISON, WI

WWW.QUINNEVANS.COM

7 June 2013
Page 2 of 2

We are enthusiastic about the opportunity to work with the University of North Carolina at Chapel Hill as you embark on this project which will contribute greatly to your academic community. We look forward to participating in the next stage of your selection process.

Cordially,

Quinn Evans Architects



A handwritten signature in black ink, appearing to read 'Larry Barr', with a long, sweeping horizontal line extending to the right.

Larry Barr, AIA
Principal

WASHINGTON, DC
ANN ARBOR, MI
DETROIT, MI
MADISON, WI

WWW.QUINNEVANS.COM

ARCHITECT-ENGINEER QUALIFICATIONS

PART 1 - CONTRACT SPECIFIC QUALIFICATIONS

A. CONTRACT INFORMATION

1. TITLE AND LOCATION (City and State)

**HILL HALL - RENOVATION OF LOBBY AND ROTUNDA & RENOVATION AND EXPANSION OF AUDITORIUM
UNIVERSITY OF NORTH CAROLINA AT CHAPEL HILL**

2. PUBLIC NOTICE DATE

20 MAY 2013

3. SOLICITATION OR PROJECT NUMBER

B. ARCHITECT- ENGINEER POINT OF CONTACT

4. NAME AND TITLE

Larry Barr, AIA, President

5. NAME OF FIRM

QUINN EVANS ARCHITECTS Washington, DC

6. TELEPHONE NUMBER

202.298.6700

7. FAX NUMBER

202.337.7130

8. E-MAIL ADDRESS

lbarr@quinnevents.com

C. PROPOSED TEAM

(Complete this section for the prime contractor and all key subcontractors)

	(Check)			9. FIRM NAME	10. ADDRESS	11. ROLE IN THIS CONTRACT
	PRIME	J-V PARTNER	SUB-CONTRACTOR			
a.	X			QUINN EVANS ARCHITECTS <input type="checkbox"/> Check if branch office	2121 Ward Place, NW, 4th Floor Washington, DC 20037	Architecture
b.			X	Theatre Consultants Collaborative	6600 Manor Hill Court Chapel Hill, NC 27516	Theater Design
c.			X	Kirkegaard Associates	801 West Adams Street 8th Floor Chicago, IL 60607	Acoustics
d.			X	Venue	16307 East Course Drive Tampa, FL 33624	Cost Estimating
e.			X	McCracken & Lopez	2151 Hawkins Street Suite 500 Charlotte, NC 28206	MEP Engineering
f.			X	CLH Design	400 Regency Forest Drive Suite 120 Cary, NC 27518	Landscape Architecture
g.			X	Falcon Engineering	PO Box 4309 Cary, NC 27519	Geotechnical / Hazmat

D. ORGANIZATIONAL CHART OF PROPOSED TEAM

☒ Attached



THE UNIVERSITY
of NORTH CAROLINA
at CHAPEL HILL

ARCHITECTURE
QUINN EVANS ARCHITECTS

Principal-in-Charge

Larry Barr, AIA

Project Manager

Leora Mirvish, AIA, LEED AP

Lead Preservation Designer

Michael Quinn, FAIA

THEATER DESIGN
THEATRE CONSULTANTS
COLLABORATIVE

Theater Consultants

Robert Long

Jason Prichard

Cyril Almey

ACOUSTICS
KIRKEGAARD ASSOCIATES

Principal Consultant

Joseph W A Myers

Senior Consultant

Timothy E. Gulsrud

COST ESTIMATING
VENUE

Cost Estimator

Sean Ryan

STRUCTURAL ENGINEERING
CIVIL ENGINEERING

MULKEY ASSOCIATES

Structural Engineer

Valoree Eikinas, PE, LEED AP

Civil Engineer

Michael Allen, PE, LEED AP

MEP ENGINEERING
MCCRACKEN & LOPEZ

Mechanical Principal

Richard McCracken, PE, LEED AP

Electrical Engineer

Damaso Lopez, PE

Plumbing/Fire Protection Engineer

Anthony Brandon, PE, LEED AP

LANDSCAPE ARCHITECTURE
CLH DESIGN

Landscape Architect

Christine Hilt, FASLA, PLA, LEED AP

GEOTECHNICAL / HAZMAT
LIFE SAFETY

FALCON ENGINEERING

Geotechnical Engineer

Chris Norville, PE

Life Safety Code Consultant

Alex Kline, PE

Environmental Engineer

Josh Dunbar, PE

Special Inspection

Justin Gerner, PE, MSI

F. EXAMPLE PROJECTS WHICH BEST ILLUSTRATE PROPOSED TEAM'S QUALIFICATIONS FOR THIS CONTRACT <small>(Present as many projects as requested by the agency, or 10 projects, if not specified. Complete one Section F for each project.)</small>		20. EXAMPLE PROJECT KEY NUMBER 1
---	--	--

21. TITLE AND LOCATION (City and State) Hill Auditorium University of Michigan, Ann Arbor, MI	22. YEAR COMPLETED	
	PROFESSIONAL SERVICES 2004	CONSTRUCTION (if applicable) 2004

23. PROJECT OWNER'S INFORMATION		
--	--	--

a. PROJECT OWNER University of Michigan	b. POINT OF CONTACT NAME Kenneth Fischer	c. POINT OF CONTACT TELEPHONE NUMBER 734.647.1174
---	--	---

24. BRIEF DESCRIPTION OF PROJECT AND RELEVANCE TO THIS CONTRACT (include scope, size, and cost)
--

Working as design partner and principal architect with Albert Kahn Associates, **QEA transformed and renewed this 3,575-seat internationally acclaimed performance venue.** Located in the heart of the University of Michigan campus in Ann Arbor, MI, this 1913 auditorium is listed on the National Register of Historic Places and is part of the Campus Historic District. The auditorium is internationally renowned for its acoustics, and throughout its 90-year history the world's finest orchestras and musical performers have graced its stage.

Our master plan and comprehensive rejuvenation of both the exterior and interior included restoring and preserving its unique acoustic qualities, while bringing back the interior's original finishes. In addition to reconfiguring the seating layout and reworking the auditorium's lighting systems, we restored its lobbies, monumental staircase, and plaza entrance, and also created a new lower level lobby addition with barrier-free access and ample patron amenities. New audio-visual and theatrical lighting systems were incorporated into the auditorium, and a new lighting catwalk was introduced into the restored laylight.



2005 Honor Award American Institute of Architects

"Their ideas are compelling, they deliver their work on time, they're wonderful to work with, their results make their clients happy, and they win major awards for their projects. This is the Quinn Evans I know."
 – Kenneth C. Fischer, President
 University Musical Society

25. FIRMS FROM SECTION C INVOLVED WITH THIS PROJECT			
--	--	--	--

a.	(1) FIRM NAME	(2) FIRM LOCATION (City and State)	(3) ROLE
	Quinn Evans Architects	Ann Arbor, MI	Architect / Prime
b.	(1) FIRM NAME	(2) FIRM LOCATION (City and State)	(3) ROLE
	Kirkegaard Associates	Chicago, IL	Acoustics
c.	(1) FIRM NAME	(2) FIRM LOCATION (City and State)	(3) ROLE
d.	(1) FIRM NAME	(2) FIRM LOCATION (City and State)	(3) ROLE
e.	(1) FIRM NAME	(2) FIRM LOCATION (City and State)	(3) ROLE



RECEIVED
UNIVERSITY OF NORTH CAROLINA
FACILITIES PLANNING

June 25, 2013

2013 JUN 24 AM 10 15

Julie Thurston, PE, LEED AP
Facilities Engineer
Department of Facilities Planning
University of North Carolina at Chapel Hill
CB #1090, Giles F. Horney Building, Suite 202B
103 Airport Drive
Chapel Hill, NC 27599-1090

2530 Meridian Pkwy
Suite 300
Durham, NC 27713

PHONE: 919.806.4424
FAX: 919.806.4301

Re: Power Generation and Chiller Plant Capacity Additions Feasibility Study

ENGINEERING

COMMISSIONING

CLIENT UTILITY SOLUTIONS

ECO-MANAGEMENT

ENERGY PERFORMANCE

OWNER'S REPRESENTATION

Dear Ms. Thurston:

Sebesta Blomberg & Associates, Inc. (Sebesta Blomberg) is pleased to present our qualifications for the Power Generation and Chiller Plant Capacity Additions Feasibility Study. The goal of this project is to develop scope, schedule, and costs and evaluate alternatives for a new steam turbine-driven chiller plant and new electrical generation.

Our Attributes: Our expertise in planning, financial analysis, design, construction, and commissioning of these types of critical systems provides us with the knowledge to take a complete view of the drivers behind the project and the existing conditions. We then couple these with the best practices and lessons learned from previous experience to effectively evaluate the options and accurately develop the scope, schedule, and budget for projects. Sebesta Blomberg will bring to your project:

- Feasibility study knowledge and leadership
- A team dedicated to your success, providing personal attention and national expertise in the specific systems under analysis
- Unbiased approach and a new fresh look at your utilities and how this project supports your mission
- Demonstrated steam turbine-driven chiller and electrical generation experience

Our Approach: We build on previous projects, specifically the various feasibility studies and system designs, and work closely with your staff to clearly establish key factors involved in the lifecycle cost analysis to address any project risks and challenges. We will address financial, technical, operational, and capacity issues, in addition to environmental, sustainable, and political concerns.



Our data will be presented in understandable formats, allowing stakeholders to make better decisions concerning the chiller plant and electrical generation aspects of this project.

Our Team: Sebesta Blomberg will lead the overall project and provide mechanical, electrical, scheduling, and technical/financial analysis services. Our team also includes BBH Design for the architectural development of any proposed new structures, additions, or renovations, which are sympathetic to the existing campus context. Mulkey Engineers & Consultants will provide all structural and civil design engineering services for the project. Construction Cost Systems, Inc. will support the team with conceptual cost estimating.

Sebesta Blomberg has successfully completed innovative campus utility projects for clients across the country. We have provided planning, assessment, modeling, pre-design, design, construction documents, startup, commissioning, and retro-commissioning/optimization of utility plants at more than 50 campuses nationwide. Mulkey has been engaged in central plant design and utility projects from a structural and civil engineering perspective and is currently working on the UNC-CH campus. BBH Design also has recent campus central plant experience in addition to several higher education projects and clients. Construction Cost Systems have worked on hundreds of estimates from conceptual design to construction phase, many in the higher education market and several for central plants.

Thank you for the opportunity to assist the University with its facility goals. Please contact me at 404.788.4431, our Durham office at 919.806.4424, or via e-mail at jhappe@sebesta.com with any questions you may have. We look forward to the next step in the selection process and appreciate your consideration.

Sincerely,

Sebesta Blomberg & Associates, Inc.

Jason Happe
Principal-in-Charge



Reputation is Everything

June 13, 2013

Mr. Masaya Konishi, Assistant Director
UNC Chapel Hill – Facilities Planning
CB 1090, Giles F. Horney Building
103 Airport Drive
Chapel Hill, NC 27599-1090

Re: UNC at Chaep Hill Health Affairs – Mary Ellen Jones Building Renovation
Chapel Hill, North Carolina

Dear Mr. Konishi:

It is my pleasure to provide you with Choate Construction Company's statement of qualifications for the UNC School of Medicine Mary Ellen Jones Building Renovation project. It is very exciting for Choate Construction Company to have the opportunity to continue our professional CM relationship with UNC. Being part of UNC's continued campus growth has been professionally rewarding for all here at Choate who have been a part of the Burnett-Womack, Imaging Research Building and UNC Hospital projects.

As you know, Choate is delivering in a few months the Imaging project and our successful team there will be ready to begin the hard work required to make the UNC Mary Ellen Jones Building Renovation project a complete success. Mitchell and Glenn are ready to go, as is our precon team. Choate Construction's team has developed a tremendous amount of UNC, UNC School of Medicine, UNC School of Pharmacy and related specialty laboratory project experience. Combined with our very positive experience with Lord Aeck Sargent on Burnett Womack, Choate Construction hits the ground with a knowledge base and at a pace that is unmatched by our competition, ready to provide instant value to your broader project delivery team.

Thank you very much for this opportunity! Do not hesitate to call if we can provide any additional information or support.

Sincerely,

Choate Construction Company

David Knudson
Vice President

Encl. – Mary Ellen Jones Renvoation Statement of Qualifications Package

CHOATE CONSTRUCTION COMPANY

4800 Falls of Neuse Road, Suite 106 - Raleigh, NC 27609
(O) 919.508.1989 (F) 919.508.1996 www.choateco.com

Atlanta, Georgia | Charleston, South Carolina | Charlotte, North Carolina | Raleigh, North Carolina | Savannah, Georgia

ACQUISITION BY LEASE OF OFFICE SPACE FOR THE INSTITUTE FOR THE ENVIRONMENT

This request is for approval to lease approximately 9,085 square feet of office space at 137 East Franklin Street, Suites 601 & 602, for the Institute for the Environment. The lease term is for two years commencing August 1, 2013 with two (2) one-year renewal option periods. The initial annual rent cost will be \$198,507.25, or \$21.85 per square foot, including utilities and janitorial service. Rent will increase 2.5% per annum beginning the second year.

RECOMMENDED ACTION

A motion to recommend approval to acquire by lease approximately 9,085 SF of office space as described above.

**ACQUISITION BY LEASE OF OFFICE SPACE FOR SCHOOL OF PUBLIC HEALTH,
DEPARTMENT OF BIostatISTICS**

This request is for approval to lease approximately 17,218 square feet of office space at 137 East Franklin Street, Suites 203,300, 400, 402,403,405, for the Department of Biostatistics within the School of Public Health. The lease term is for thirty months commencing July 1, 2013 with four (4) six-month renewal option periods. The initial annual rent cost will be \$395,497.46, or \$22.97 per square foot including utilities and janitorial service. Rent will increase 2.5% per annum at the beginning of the second year.

RECOMMENDED ACTION

A motion to recommend approval to acquire by lease approximately 17,218 SF of office space as described above.

PROPERTY DISPOSITION BY GROUND LEASE TO THE TOWN OF CARRBORO

This request is for approval to authorize a ground lease of an amount to be determined by survey to the Town of Carrboro for the purpose of constructing a greenway on University property. This lease will facilitate the construction of a new public greenway by the Town of Carrboro, a portion of which will be located on University property adjacent to Homestead Rd. The greenway construction will be funded through NCDOT and administered by the Town of Carrboro. The Ground Lease will terminate at the conclusion of the construction of the greenway and the greenway will be gifted to the University.

RECOMMENDED ACTION

A motion to recommend approval of a ground lease to the Town of Carrboro for the purpose of greenway construction as described above.

PRELIMINARY REVIEW – ENERGY SAVINGS PERFORMANCE INSTALLMENT FINANCING CONTRACT

The objective for the Energy Savings Performance Contract (ESPC) is to maximize energy cost savings in order to finance building system upgrades in the following buildings: Genetic Medicine Research Building, Medical Biomolecular Research Building (MBRB), Molecular Biology Research Lab/Glaxo, Chapman Hall, Kenan Labs, and ITS Manning

Brady Trane, the Energy Service Company (ESCO), was selected to perform an Investment Grade Audit (IGA), design, furnish and install, train, and conduct measurement and verification for the term of the not to exceed 20 year contract.

The IGA has confirmed an annual guaranteed energy savings of approximately \$1.3 M from the energy conservation measures (ECMs). These savings are sufficient to finance approximately \$15.6 M in needed facility upgrades. Repayment of the installment financing contract will be through guaranteed energy savings. In addition, approximately \$4.5M of the financed amount addresses deferred maintenance.

The University will solicit competitive proposals from qualified lenders to enter into an installment financing contract. The University expects that the interest rate under the contract will not exceed 5% on a principal amount not to exceed \$15,650,000. This information is presented to the Board of Trustees for review and comment. The Board of Governors will consider a request to approve the financing at its August 2013 meeting.

No formal action is requested at this time.

**STATUS OF CAPITAL IMPROVEMENT PROJECTS
THE UNIVERSITY OF NORTH CAROLINA AT CHAPEL HILL
FACILITIES SERVICES**

PROJECTS COMPLETED SINCE LAST REPORT (JANUARY, 2013)

1. Cogeneration Steam Tunnel Rehabilitation Project (Package 3)	\$30,000,000
2. Bell Tower Development	\$239,510,206
3. Dental Sciences Building	\$104,000,000
4. Bingham Facilities Upgrade-FOBRL	\$300,000
5. Co-generation Facility Storage Building	\$500,000
6. Landfill Gas Recovery Project	\$4,000,000
7. UNC Childcare Facility Addition	\$750,000
8. Kenan Laboratories Renovations	\$1,900,000
9. Thurston Bowles Third Floor Renovation	\$1,200,000
10. Finley Golf Course Club House Addition	\$3,500,000
11. Frank Porter Graham Student Union - Renovation	\$7,500,000
12. Brinkhous Bullitt Exterior Repairs	\$300,000
13. South Columbia Road Improvements	\$1,400,000
Total	\$394,860,206

PROJECTS UNDER CONSTRUCTION:

1. **Imaging Research Building – \$245,000,000**
(Funding – Appropriations)
Construction began June 2009 and is 61% complete. Project completion is expected in January 2014.
2. **Electrical Infrastructure Additions (Phase I) - \$8,025,000**
(Funding – University Non-Appropriated/Receipts)
Construction began August 2011 and is 92% complete. Project completion is expected in March 2013.
3. **Electric Infrastructure Additions Phase 2 - \$15,000,000**
(Funding – University Non-Appropriated/Receipts)
Construction began May 2012 and is 83% complete. Project completion is expected in March 2013.
4. **Craig Parking Deck Expansion - \$36,000,000**
(Funding – University Non-Appropriated/Receipts)
Construction will begin July 2013. Project completion is expected in August 2015.
5. **Davis Library Reconfiguration of Odum Institute - \$900,000**
(Funding – University Non-Appropriated/Receipts)
Construction began February 2013 and is 95% complete. Project completion is expected in July 2013.
6. **Exterior Repairs at Coastal Process & Environment Health Labs - \$600,000**
(Funding – Repair & Renovations)
Construction began March 2013 and is 68% complete. Project completion is expected in August 2013.
7. **Kenan Stadium Structural Repairs - \$500,000**
(Funding – University Non-Appropriated/Receipts)
Construction began May 2013 and is 20% complete. Project completion is expected in August 2013.
8. **Lenoir Hall – Replacement of Air handling Units 8 & 9 - \$750,000**
(Funding – University Non-Appropriated/Receipts)
Construction began June 2013 and is 10% complete. Project completion is expected in December 2013.

9. **Main Campus Ductbank Improvements - \$1,800,000**
(Funding –University Non-Appropriated/Receipts)
Construction began April 2013 and is 80% complete. Project completion is expected in July 2013.
10. **Manning Substation Switchgear - \$3,000,000**
(Funding –University Non-Appropriated/Receipts)
Construction began June 2013 and is 3% complete. Project completion is expected in March 2014.

PROJECTS IN DESIGN:

1. **Morehead Planetarium Addition and Renovation - \$58,000,000**
(Funding – State Appropriation/Gifts)
Project is on hold pending construction funding.
2. **Bingham Facility – \$1,843,095**
(Funding – University Non Appropriated)
Preparing construction contract for the Wastewater Treatment Improvements project.
3. **Alternative/Renewable Energy Study - \$5,300,000**
(Funding – University Non-Appropriated/Receipts)
Campus energy modeling to be completed in fall 2013.
4. **School of Law at Carolina North - \$5,500,000**
(Funding – State Appropriation)
Project is waiting design funding.
5. **Carolina North Infrastructure – Phase I - \$25,000,000**
(Funding – University Non-Appropriated)
Currently in Design Development phase.
6. **Old Sanitary Landfill Remediation at Carolina North - \$500,000**
(Funding – State Appropriation)
Site characterization report to be completed by December 2013.
7. **Railroad Sidings - \$3,000,000**
(Funding – University Non-Appropriated)
The programming and site feasibility report is complete.
8. **Rizzo Center Phase III - \$36,000,000**
(Funding – University Non-Appropriated)
Special Use Permit application approved.
9. **Renovations to Mary Ellen Jones Building - \$45,500,000**
(Funding – University Non-Appropriated)
Currently in Programming/Concept Design phase.
10. **Medical Education Building - \$1,000,000**
(Funding – University Non-Appropriated)
Designer has prepared options and cost estimates for School of Medicine. Project is waiting design funding.
11. **Carrington Hall Renovation - \$250,000**
(Funding –Repair and Renovations)
Programming study is complete and project is waiting design funding.
12. **Knapp – Sanders Hall Second and Third Floor HVAC Replacement Study - \$600,000**
(Funding – Repair and Renovations)
Construction documents are complete and project is waiting construction funding.

13. **Davis Library – 1st and 2nd Floor renovations - \$450,000**
(Funding – Repair and Renovations)
Programming is complete and project is waiting construction funding.
14. **Carolina North Collaborative Science Building - \$95,700,000**
(Funding – University Non-Appropriated)
Currently in Design Development phase.
15. **Lighting Upgrades for Parking Decks - \$1,500,000**
(Funding – University Non-Appropriated)
Feasibility study is complete. Awaiting funding for advance planning. Currently in Schematic design phase.
16. **Performance Contracting - \$20,000,000**
(Funding – University Non-Appropriated)
Investment Grade Audit Report under review. Energy Service Agreement due September 2013.
17. **Wilson Library Egress – Phase II \$12,000,000**
(Funding – University Non-Appropriated)
Construction documents are complete. Awaiting funding.
18. **ITS Manning UPS Upgrade - \$3,000,000**
Feasibility study to be completed by February 2013.
19. **Upper Quad HVAC & Window Replacement - \$6,500,000**
(Funding – University Non-Appropriated)
Construction documents complete. Awaiting funding.
20. **Student Recreation Center and Fetzer Gymnasium Roof Replacement - \$2,100,000**
(Funding – University Non-Appropriated and Repair & Renovation)
Construction Documents are complete. Awaiting State Construction Office approval.
21. **Odum Village Replacement - \$25,000,000**
(Funding – University Non-Appropriated)
Advance planning underway to develop a programming feasibility study due August 2013.
22. **General Storeroom Roof Replacement - \$879,000**
(Funding – Repair & Renovation)
Construction Documents are complete. Awaiting State Construction Office approval.
23. **Stormwater Master Plan Ph II - \$800,000**
(Funding – University Non-Appropriated)
Feasibility study to be completed August 2013.
24. **Cogen Steam Tunnel Rehabilitation - \$4,000,000**
(Funding-University Non-Appropriated)
Currently in schematic design phase.
25. **North Chiller Plant Capacity Upgrade - \$4,500,000**
(Funding – University Non-Appropriated)
Currently in Schematic Design phase.
26. **Power Generation & Chiller Plant Capacity Addition Feasibility Study - \$500,000**
(Funding – University Non-Appropriated)
Designer selection scheduled for July 2013 BOT meeting.

27. **Howell Hall Renovation - \$5,300,000**
(Funding – University Non-Appropriated)
Currently in Schematic Design phase
28. **Aycock Family Medicine Center Renovation - \$1,500,000**
(Funding – University Non-Appropriated)
Currently in Schematic Design phase.
29. **Burnett Womack CTSC Renovation - \$1,500,000**
(Funding – University Non-Appropriated)
Currently in Schematic Design phase.
30. **Berryhill Renovation - \$1,600,000**
(Funding – University Non-Appropriated)
Construction Documents are complete. Waiting for State Construction Office approval.
31. **School of Dentistry Vacuum System Feasibility Study - \$50,000**
(Funding – University Non-Appropriated)
Feasibility study underway.
32. **Vivarium Equipment Replacement - \$4,847,000**
(Funding – University Non-Appropriated)
Currently in Schematic Design phase.
33. **Wilson Hall Annex - \$100,000**
(Funding – University Non-Appropriated)
Advance Planning underway.
34. **Skipper Bowles Drive Repair & Resurface Feasibility Study - \$30,000**
(Funding – Repair & Renovation)
Feasibility study is complete. Awaiting construction funding
35. **Hill Hall Renovation and Addition - \$15,000,000**
(Funding – University Non-Appropriated and Gifts)
Designer selection scheduled for July 2013 Board of Trustees meeting.

SUMMARY OF MAJOR CAPITAL IMPROVEMENT ACTIVITY:

	<u>No. of Projects</u>	<u>Dollar Value</u>
Completed since 1/2013	13	\$ 394,860,206
Under Construction	10	\$ 311,575,000
In Design	35	\$ 334,449,095

HISTORICAL RECORD OF ACTIVITY:

<u>UNDER CONSTRUCTION</u>			<u>IN DESIGN</u>	
<u>Date</u>	<u>No. of Projects</u>	<u>Dollar Value</u>	<u>No. of Projects</u>	<u>Dollar Value</u>
Dec. 1983	10	\$ 62,326,000	8	\$ 18,645,000
Jun. 1984	10	\$ 66,858,320	11	\$ 14,956,950
Oct. 1984	13	\$ 77,924,820	16	\$ 28,455,450
Jun. 1985	15	\$ 75,753,450	18	\$ 57,302,500
Feb. 1986	13	\$ 67,684,000	30	\$190,990,620
Aug. 1986	11	\$ 61,093,000	25	\$191,213,620
Feb. 1987	14	\$ 39,924,000	27	\$183,061,220
Aug. 1987	13	\$ 26,817,520	25	\$210,316,100
Feb. 1988	12	\$ 42,354,520	26	\$222,477,900
Aug. 1988	14	\$ 61,721,870	34	\$254,328,430
Feb. 1989	15	\$157,882,770	40	\$168,321,630
Aug. 1989	20	\$158,003,370	29	\$170,550,730
Feb. 1990	18	\$153,331,770	34	\$174,785,500
Aug. 1990	14	\$161,479,980	29	\$165,398,600
Feb. 1991	10	\$191,489,780	26	\$147,486,500
Aug. 1991	11	\$202,564,380	28	\$132,000,800
Jan. 1992	9	\$193,656,480	31	\$123,015,800
Aug 1992	16	\$196,850,380	25	\$132,470,400
Jan 1993	15	\$178,790,400	27	\$137,062,000
July 1993	9	\$ 91,072,000	21	\$121,141,100
Jan 1994	6	\$ 90,707,300	33	\$154,615,300
July 1994	15	\$101,999,300	28	\$147,370,700
Jan 1995	13	\$ 66,320,700	52	\$175,385,600
July 1995	14	\$101,192,800	46	\$164,311,800
Jan 1996	11	\$ 89,901,800	67	\$246,980,600
July 1996	17	\$ 92,701,100	61	\$299,168,300
Jan. 1997	19	\$131,072,400	63	\$282,872,700
July 1997	37	\$235,425,600	44	\$223,235,350
Jan 1998	33	\$158,837,100	50	\$278,691,575
July 1998	36	\$183,705,300	43	\$285,946,375
Jan 1999	26	\$153,298,200	42	\$314,955,275
July 1999	20	\$175,689,300	44	\$374,499,175
Jan 2000	18	\$173,787,000	38	\$380,677,875
July 2000	20	\$171,732,100	44	\$402,994,475
Jan 2001	20	\$265,311,575	56	\$255,342,400
July 2001	30	\$277,577,875	57	\$509,245,260
Jan 2002	28	\$282,315,475	51	\$533,569,700
July 2002	25	\$297,186,000	51	\$533,569,700
Jan 2003	18	\$246,220,200	52	\$700,266,390
July 2003	15	\$239,095,165	58	\$677,135,478
Jan 2004	18	\$345,073,797	59	\$607,602,868
July 2004	24	\$435,597,765	61	\$837,011,823
Jan 2005	32	\$540,484,649	77	\$997,282,175
July 2005	42	\$604,951,066	62	\$848,018,466
Jan 2006	39	\$606,059,278	50	\$681,154,808
July 2006	36	\$753,387,157	55	\$697,916,808
Jan 2007	39	\$493,513,761	60	\$729,086,980
July 2007	38	\$559,519,076	50	\$586,321,980
Jan 2008	29	\$510,723,322	46	\$733,693,000
July 2008	27	\$570,815,114	51	\$715,328,000
Jan 2009	25	\$429,973,546	47	\$906,213,000
July 2009	24	\$633,089,281	40	\$577,740,422
Jan 2010	18	\$600,252,605	22	\$409,120,032
July 2010	18	\$618,429,022	32	\$539,620,032
Jan 2011	15	\$605,745,206	30	\$474,190,032
July 2011	19	\$802,905,823	28	\$292,000,000
Jan 2012	15	\$742,125,183	28	\$313,100,000
July 2012	17	\$655,508,823	31	\$309,600,000
Jan 2013	12	\$550,585,206	34	\$389,726,000
July 2013	10	\$311,575,000	34	\$334,449,095

During the same period we have completed 490 major capital improvement projects with a total in-place cost of \$3,467,342,169.

Lease Report

Board of Trustees
The University of North Carolina at Chapel Hill

July 24, 2013

Review of the Types of Leases Held by The University of North Carolina at Chapel Hill

I. Lease Acquisitions (Space Leased to the University by Others)

A. Office Space Leases

- 352,768 square feet of office space leased to the University with annual rent payments of \$7,126,467.17 (representing 19.25% increase in leased square feet and 22.28% increase in annual rent payments since the last report in January, 2013)
- 63,471 square feet of office space (included in the above-referenced 352,768 square feet) leased to the University in Endowment owned buildings with annual rent payments of \$1,311,049.59 (representing no change in leased square feet and a 2.82% increase in annual rent payments since last lease report in January, 2013)

B. Miscellaneous Leases

- Leases to the University with annual rent payments of \$36,817.67 (representing 11.34 % increase in annual rent payment since the last lease report in January, 2013)

C. Storage Space Leases

- 2,560 square feet of storage space leased to the University with annual rent payments of \$14,181.96 (representing no increase in leased square feet and .83 % increase in annual rental payments since the last lease report in January, 2013)

II. Lease Dispositions (Space Leased by the University to Others)

A. Rental Houses

- 22 houses (23 leases) with projected annual rent receipts of \$348,002.00 (representing a 1.75% increase in annual rent receipts since the last lease report in January, 2013)

B. Rental Buildings

- 2 buildings with annual rent receipts of \$5,409,721.00 (representing no change in annual rent receipt since the last lease report in January, 2013)

C. Land Leases

- 78.08 acres of land leased with nominal rent receipts (representing no change in land leased and no change in nominal annual rent receipt since the last lease report in January, 2013)

The University of North Carolina at Chapel Hill
Office Space Leased to UNC-CH Chapel Hill within Chapel Hill/Carrboro
As of July 1, 2013

Owner/Lessor		Lessee Division	Department	Lessee Classification	Funding Source	Location	Lease End Date	Sq Ft	Annual Rent	\$ Per Sq Ft	Renewal Options
1	Yaggy Corporation	Health Affairs	SPH/SOM Horizons Program	University Support	62.5% Trust Funds 21.3% Trust Funds 16.2% F & A Funds	400 Roberson Street	Mth to Mth	17,864	\$ 323,887.52	\$ 18.13	None
2	Chapel Hill Foundation Real Estate	Health Affairs	Carolina Population Center	Research Program	100% F & A	143 West Franklin St	Mth to Mth	25,952	\$ 518,780.48	\$ 19.99	None
3	Madison Partners, LLC	Health Affairs	Carolina Population Center	Research Program	100% F & A	211-B West Cameron St	Mth to Mth	5,730	\$ 102,612.82	\$ 17.91	None
4	Franklin Street Plaza, LLC	Health Affairs	SPH, Injury Prevention Research Center	Research Program	42% F & A 58% Trust Funds	136 E. Rosemary St	Mth to Mth	6,555	\$ 145,324.35	\$ 22.17	None
5	Franklin Street Plaza, LLC	Health Affairs	SPH, Collaborative Studies Coordinating Ctr	Research Program	100% F & A	136 E. Rosemary St	Mth to Mth	332	\$ 7,328.48	\$ 21.01	None
6	Franklin Street Plaza, LLC	Health Affairs	SPH, Collaborative Studies Coordinating Ctr	Research Program	100% F & A	136 E. Rosemary St	Mth to Mth	16,444	\$ 363,021.97	\$ 22.08	None
7	Franklin Street Plaza, LLC	Health Affairs	SPH, Collaborative Studies Coordinating Ctr	Research Program	100% F & A	136 E. Franklin St	Mth to Mth	442	\$ 9,370.44	\$ 21.20	None
8	Madison Partners, LLC	Academic Affairs	Graduate Student Center	University Support	100% F & A	211-A West Cameron Ave	Mth to Mth	2,797	\$ 50,741.52	\$ 18.14	None
9	Franklin Street Plaza, LLC	Health Affairs	SOM, Health Behavior and Health Education	Research Program	100% Trust Funds	136 E. Rosemary St	Mth to Mth	4,700	\$ 96,262.36	\$ 20.48	None
10	Carr Mill Mall Limited Partnership	Health Affairs	Lineberger Cancer Ctr	Research Program	100% Trust Funds	200 N. Greensboro St	Mth to Mth	1,355	\$ 23,373.75	\$ 17.25	None
11	Chapel Hill Foundation Real Estate	Health Affairs	SOM, Infectious Diseases	Research Program	100% C/G	143 West Franklin St	Mth to Mth	228	\$ 2,109.00	\$ 18.50	None
12	Franklin Street Plaza, LLC	Health Affairs	Institute for the Environment	Academic Program	100% Trust Funds	136 E. Rosemary St	7/31/2013	4,919	\$ 104,914.36	\$ 21.33	None
13	Franklin Street Plaza, LLC	Health Affairs	Institute for the Environment	University Support	100% Trust Funds	136 E. Rosemary St	7/31/2013	4,166	\$ 88,860.72	\$ 21.33	None
14	Carr Mill Mall Limited Partnership	Health Affairs	Medical Allied Health	Clinical Program	100% F & A	200 N. Greensboro St	8/31/2013	1,803	\$ 31,101.75	\$ 17.25	None
15	James L. Hodgins	Health Affairs	FPG Child Development Institute	Research Program	100% F & A	517 S. Greensboro St	8/31/2013	17,500	\$ 360,150.00	\$ 20.58	None
16	Sheryl-Mar, LLC	Health Affairs	FPG Child Development Institute	Research Program	100% F & A	517 S. Greensboro St	8/31/2013	6,918	\$ 136,338.96	\$ 19.71	None
17	Sheryl-Mar Company, LLC	Health Affairs	FPG Child Development Institute	Research Program	100% F & A	521 S. Greensboro St	12/31/2013	23,532	\$ 499,349.04	\$ 21.22	None
18	Phillip D. Pearsall	Health Affairs	SPH, Department of Nutrition	Research Program	100% F & A	800 Eastowne Drive	12/31/2013	3,186	\$ 43,940.36	\$ 13.79	Three 1 yr w/3% inc
19	Carr Mill Mall Limited Partnership	Health Affairs	Medical Allied Health	Clinical Program	100% C/G	200 N. Greensboro St	1/31/2014	637	\$ 10,192.00	\$ 16.00	None
20	* Franklin Street Plaza, LLC	Academic Affairs	OVC-Office Research Communication	University Support	100% F & A	136 E Rosemary St	4/30/2014	1,073	\$ 23,445.57	\$ 21.85	Two 1 yr w/ 2.5% inc
21	Carr Mill Mall Limited Partnership	University Administration	Advising Corp.Undergraduate Admissions	University Support	100% C/G	200 N. Greensboro St	5/31/2014	1,144	\$ 19,448.00	\$ 17.00	None
22	* Franklin Street Plaza, LLC	University Administration	UNC-CH Research Compliance Program	University Support	100% F & A	137 E. Franklin St	6/30/2014	220	\$ 4,780.56	\$ 21.73	One 1yr w/ 2.5% inc
23	Franklin Street Plaza, LLC	University Administration	UNC-CH Research Compliance Program	University Support	100% F & A	137 E. Franklin St	6/30/2014	1,037	\$ 22,534.01	\$ 21.73	One 1yr w/ 2.5% inc
24	* Madison Partners, LLC	University Administration	Center for Public Service	University Support	100% F & A	205 Wilson Street	7/31/2014	1,955	\$ 40,062.06	\$ 20.49	None
25	Franklin Street Plaza, LLC	University Administration	Office of Research Information Systems	Public Service	100% F & A	136 E. Rosemary St	11/30/2014	3,150	\$ 68,764.50	\$ 21.83	One 1 yr w/2.5% inc
26	* Ambient Air, LLC	Health Affairs	SPH, Dept. of Epidemiology	Research Program	100% C/G	116A South Merritt Mill	12/31/2014	2,400	\$43,800.00	\$ 18.25	Two 1 yr w/2% inc.
27	* Franklin Street Plaza, LLC	University Administration	Office of Sponsored Research	University Support	100% Dept. Overhead Funds	137 E. Franklin Street	12/31/2014	996	\$ 21,747.48	\$ 21.83	Two 1 yr w/ 2.5% inc
28	* Carr Mill Mall Limited Partnership	Health Affairs Health Affairs Health Affairs Health Affairs	Lineberger Cancer Center (5,373 sq ft) Scales (2,536 sq ft) Dr. Lea (126 sf) Child Medical (2,150 sq ft)	Research Programs	53 % Trust Funds 47% F & A Funds	101 E. Weaver Street	2/28/2015	10,185	\$ 190,160.00	\$ 18.67	None
29	* Franklin Street Plaza, LLC	Health Affairs	SPH, Dept. of Epidemiology	Research Program	100% F & A	137 E. Franklin St	5/31/2015	12,193	\$ 262,450.02	\$ 21.52	Two 1 yr w/ 2.5% inc
30	* Board of Trustees of Endowment Fund	See Page 5	See Page 5	See Page 5	See Page 5	720, 725, 730 MLK Blvd	6/30/2015	63,471	\$ 1,311,049.59	\$ 20.66	None
30	* Franklin Street Plaza, LLC	Health Affairs	Institute for the Environment	Academic Program	100% Dept. Overhead Funds	136 E. Rosemary St	7/31/2015	1,829	\$ 39,170.33	\$ 21.42	Two 1 yr w/ 2.5% inc
31	* West Franklin Preservation Ltd. Partnership	Health Affairs	Carolina Population Center	Research Program	90% F & A 10% Trust Funds	206 West Franklin Street	11/30/2015	11,600	\$ 191,400.00	\$ 16.50	Two 1 yr w/ 3% inc
32	* Europa Center, LLC	Academic Affairs	Morehead Planetarium & Science Ctr	University Support	100% Trust Funds	100 Europa Drive	3/31/2016	1,000	\$ 12,000.00	\$ 12.00	One 2 yr w/no inc
33	Carr Mill Mall Limited Partnership	University Administration	University Advancement	University Support	100% F & A	200 N. Greensboro St	5/16/2016	1,812	\$ 31,257.00	\$ 17.25	None
34	* Riddle Commercial Properties, Inc.	Academic Affairs	Center for Developmental Science	Research Program	100% F & A	100 E. Franklin St	9/30/2017	11,026	\$ 245,000.00	\$ 22.22	One 5 yr w/2% inc
35	* Franklin Street Plaza, LLC	University Administration	Ombuds Office	University Support	100% F & A	137 E. Franklin St	3/31/2018	1,823	\$ 43,752.00	\$ 24.00	One 5 yr w/2.5% inc

The University of North Carolina at Chapel Hill
Office Space Leased to UNC-CH Chapel Hill within Chapel Hill/Carrboro
As of July 1, 2013

36	*	Venable Group, LLC	Health Affairs	SOM, Emergency Medicine	Research Program	25% Trust Funds 65% C/G	100 Market Street	6/30/2018	5,176	\$113,872.00	\$ 22.00	One 5 yr w 3% inc
37	*	Cedar Plank, LLC	Health Affairs	SOM, CIDD	Research Program	100% Trust Funds	101 Renee Lynn Court	9/30/2020	17,824	\$430,190.71	\$ 24.13	Two 5 yr w 3% inc
38	*	Cedar Plank, LLC	Health Affairs	SOM, TEACCH	Research Program	100% Trust Funds	100 Renee Lynn Court	6/30/2022	16,701	\$391,304.43	\$ 23.43	Two 5 yr w 3% inc
									311,681	\$ 6,423,848.20	\$20.44	

Notes:

1. Leases executed or renewed since last report (1/13) are denoted by an asterisk (*). During this time, the amount of office space leased in Chapel Hill/Carrboro increased by 51,740 sq feet. The average cost per square foot increased from \$19.70 per to square foot to \$20.44 per square foot.
2. Amounts shown for Annual Rent and \$ Per Square Foot are based on amounts currently being paid. Most leases include provisions for annual rent increases based on a fixed schedule or increases in building operating costs.
3. Utilities and Janitorial are paid by the Lessor for all leases shown except for lease #3, #8, #15, #26, #36, #37, and #38
6. Janitorial services are provided at the Lessor's cost for all leases shown except #24, #34
7. Utilities are paid by the Lessor for all leases shown except for lease #1, #16, #17
8. Lease #11 is for a 6 month term (not annual rent)
9. Items 1-11 leases in process - expect to have majority of these executed in July
10. Items #36, #37, #38 transferred from UNC Health Care to UNC Property Office to administer the leases

The University of North Carolina at Chapel Hill
Office Space Leased to UNC-CH Outside of Chapel Hill/Carrboro
As of July 1, 2013

	Owner/Lessor	Lessee Division	Department	Lessee Classification	Lessee Source of Funding	Location	Lease End Date	Building Sq Ft	Annual Rent	\$ Per Sq ft
1	Self-Help Ventures Fund	Health Affairs	SOM, Greensboro TEACCH Program	Clinical Program	100% State Funds	Greensboro	Mth to Mth	2,905	\$51,128.00	\$17.60
2	Edgemont Tenant LLC	Academic Affairs	School of Journalism/Mass Communication	Academic Program	100% State Funds	Durham	Mth to Mth	167	\$1.00	\$0.00
3	Highwoods Realty Limited Partnership	Health Affairs	Useful Speech Project	Clinical Program	100% Contracts & Grants	Durham	7/31/2013	1,293	\$17,382.48	\$13.44
4	Fortune's Ridge Associates Limited Partnership	Health Affairs	SOM. CCDP/CASTLE	Clinical Program	50% Foundation Funds 50% Trust Funds	Durham	2/28/2014	1,180	\$20,650.00	\$17.50
5	Seamist Properties Fayetteville LLC	Health Affairs	SOM, Fayetteville TEACCH Program	Clinical Program	100% State Funds	Fayetteville	2/28/2014	3,100	\$49,135.00	\$15.85
6	The Kinston Enterprise Center	Health Affairs	HPDP-Healthy Heart Lenoir Project	Research Program	100% Contract & Grants	Kinston	7/31/2014	824	\$8,568.00	\$10.40
7	Fortune's Ridge Associates Limited Partnership	Health Affairs	SOM. CCDP/CASTLE	Clinical Program	70% Foundation Funds 30% Trust Funds	Durham	12/31/2014	5,149	\$98,139.94	\$19.06
8	East Park Associates, LLC	Health Affairs	SOM, Charlotte TEACCH Program	Clinical Program	100% State Funds	Charlotte	4/30/2015	2,990	\$51,082.85	\$17.08
9	Commercial Investors c/o James Little Real Estate	Health Affairs	SOM, Thurston Arthritis Center	Clinical Program	100% Contracts & Grants	Smithfield	6/30/2015	2,776	\$33,312.00	\$12.00
10	Wainwright Property Management, LLC	Health Affairs	SOM, Greenville TEACCH Program	Clinical Program	100% State Funds	Greenville	7/31/2015	2,800	\$29,400.00	\$10.50
11	31 College Place, LLC	Health Affairs	SOM, Asheville TEACCH Program	Clinical Program	100% State Funds	Asheville	1/31/2017	3,540	\$49,560.00	\$14.00
12	Abinto Corporation	Health Affairs	SOM, Wilmington TEACCH Program	Clinical Program	100% State Funds	Wilmington	1/31/2018	3,353	\$53,145.05	\$15.85
13	Abinto Corporation	Health Affairs	SOM, Wilmington TEACCH Program	Clinical Program	100% State Funds	Wilmington	1/31/2018	689	\$10,920.65	\$15.85
14	* Beacon Ventures	Health Affairs	Hunt Institute	Research Program	100% State Funds	Durham	3/31/2018	4,527	\$108,648.00	\$24.00
15	* Keystone 630 TT, LLC	Health Affairs	Institute of Medicine/Sheps	Research Program	50% Trust Funds 50% F & A	Durham	4/30/2018	4,328	\$93,052.00	\$21.50
16	* Self-Help Ventures Fund	Health Affairs	SOM, Infectious Diseases	Clinical Program	100% State Funds	Durham	4/30/2018	1,472	\$28,494.00	\$19.36

41,093 \$702,618.97 \$15.25

NOTES:

1. Leases executed or renewed since the last report (1/13) are denoted with an asterisk (*). Sq ft outside Chapel Hill/Carrboro represented no change in leased square feet since last lease report in January, 2013.
2. Amounts shown for Annual Rent and \$ Per Square Foot are based on amounts currently being paid. Most leases include a provision for annual rent increases based on a fixed schedule or increases in building operating costs.
3. Utilities and janitorial services are provided by the Lessor for all leases except #5, #10, #12, and #13,
4. Janitorial services not included in #4, #6, and #7
5. Lease #1- New lease approved. Currently on month to month while waiting on upfit to be completed , at new location, prior to relocating into new space.
6. Lease #2 In process

The University of North Carolina at Chapel Hill
Endowment Owned Buildings on MLK Jr. Blvd. Office Space Leased to UNC-CH
As of July 1, 2013

Lessor	Lessee Division	Lessee Department (Program)	Lessee Classification	Lessee Source of Funds	Square Feet	Annual Rent	\$ Per Square Ft
Endowment Fund	Health Affairs	School of Medicine (Dr. Drossman)	Research Program	100% F & A	579	\$11,979.51	\$20.69
Endowment Fund	Health Affairs	School of Medicine (Division of Cardiology Heart Failure Prog.)	Research Program	100% C/G	311	\$6,434.59	\$20.69
Endowment Fund	Health Affairs	School of Public Health (Institute on Aging)	Research Program	72.5% F & A 27.5% Trust Funds	5,162	\$106,801.78	\$20.69
Endowment Fund	Health Affairs	Office of Clinical Trials	Research Program	100% F & A	3,609	\$72,504.81	\$20.69
Endowment Fund	Health Affairs	School of Public Health (Biostatistics Dept, Survey Res. Unit)	Research Program	100% F & A	5,811	\$120,229.59	\$20.69
Endowment Fund	Health Affairs	Cecil G. Sheps Center For Health Services Research	Research Program	100% F & A	34,777	\$719,536.13	\$20.69
Endowment Fund	Health Affairs	Highway Safety Research Center	Research Program	87% F & A 13% Trust Funds	13,222	\$273,563.18	\$20.69
Total 720, 725, 730 Martin Luther King Jr. Blvd					63,471	\$1,311,049.59	\$20.69

The University of North Carolina at Chapel Hill
Miscellaneous Leases to the University
As of July 1, 2013

Owner/Lessor		Lessee Division	Department	Type	Location	Lease End Date	Sq Ft or Acres	Annual Rent
1	Carolina Telephone and Telegraph Company	University Admin	WUNC Radio	Tower & Roof Top	Dare County (See Note 1)	Mth-to-Mth	0	\$0.00
2	Secretary of the Army	University Admin	University of North Carolina	Land	Kerr Lake (see Note 2)	Mth-to-Mth	230 acres	\$0.00
3	Loretta Malcolm	Health Affairs	SPH, Environmental Sciences & Engineering	Land	Chatham	Mth to Mth	2 acres	\$3,025.00
4	* Chapel Hill Group Limited Partnership	Health Affairs	SOM, Dermatology	Apartment	Carrboro (See Note 3)	6/30/2014	759 sq ft	\$7,260.00
5	GTP Acquisition Partner II, LLC	University Admin	WUNC Radio	Tower & Roof Top	Edgecombe County (See Note 1)	12/31/2017	100 sq ft	\$18,084.67
6	Chapel Hill City Board of Education	Health Affairs	Frank Porter Graham Child Development Institute	Land	Chapel Hill	9/17/2019	10.81 acres	\$0.00
7	RDU International	Health Affairs	AHEC Facility	Land	RDU - Durham	7/31/2031	70,390	\$8,448.00
\$36,817.67								

* Leases executed or renewed since the last report (7/12) are denoted with an asterisk (*).

1. Tower, rooftop and associated land space to locate FM broadcast antenna and transmitter.

2. Use of space for picnics, boating, camping, swimming and nature studies or current and retired University employees, University Hospital employees and General Administration employees. Working with Secretary of the Army to secure a new lease.

3. Items 2 & 3 Lease in process

The University of North Carolina at Chapel Hill
Lease Summary Storage Space Leases
As of July 1, 2013

Owner/Lessor		Department	Storage Type	Lease End Date	Building Sq Ft	Annual Rent
1		Starpoint, Inc.	Highway Safety Research Center	Mini	Mth to Mth	200 \$ 1,680.00
3		Yarboro & Hessee Warehouses, LLC	Ackland Art	Bulk	7/31/2014	1,888 \$ 8,496.00
4	*	Charlotte East, LLC	Charlotte TEACCH Center	Mini	9/30/2014	472 \$ 4,005.96
					2,560	\$14,181.96

Notes:

* Leases executed or renewed since the last report (1/13) are denoted with an asterisk (*).

The University of North Carolina at Chapel Hill
Summary of Lease Dispositions
As of July 1, 2013

	Location	Lessee's Name	Sq Ft	Monthly Rent	Annual Rent	Lease End Date
I. Rental Houses						
1	University Lake (Lake Warden's House)	OWASA	1,080	\$0.00	\$1.00	Mth to Mth
2	Horace Williams House	Preservation Chapel Hill	2,600	\$0.00	\$1.00	Mth to Mth
3	1506A Mason Farm Road, Chapel Hill	Andrew Pukal	2,300	\$1,450.00	\$17,400.00	Mth to Mth
4	6703 Maynard Farm Road, Chapel Hill	David Nichols	3,461	\$1,400.00	\$16,800.00	11/30/2013
5	1450 Mason Farm Place, Chapel Hill	David Demers	3,196	\$1,450.00	\$17,400.00	1/31/2014
6	1303 Mason Farm Road, Chapel Hill	Lyneise Williams	2,314	\$1,550.00	\$18,600.00	2/28/2014
7	1307 Mason Farm Road, Chapel Hill	Eric McAfee	3,010	\$1,500.00	\$18,000.00	2/28/2014
8	1404 Mason Farm Road, Chapel Hill	Scott & Kelly Wentland	1,775	\$1,450.00	\$17,400.00	3/31/2014
9	109 Chase Ave, Chapel Hill	Macon E. Lowman	2,324	\$1,450.00	\$17,400.00	5/31/2014
10	301 Chase Avenue, Chapel Hill	Stephen Seiberling	1,940	\$1,225.00	\$14,700.00	5/31/2014
11	1309 Homestead Road, Chapel Hill	Kelly Glosson	1,649	\$1,500.00	\$18,000.00	5/31/2014
12	6627 Maynard Farm Road, Chapel Hill	Arthur Menius	1,846	\$1,300.00	\$15,600.00	5/31/2014
13	1402 Mason Farm Road, Chapel Hill	John & Corie Gallemore	3,200	\$1,200.00	\$14,400.00	6/30/2014
14	107 Chase Avenue, Chapel Hill	Bryan Richardson	2,324	\$1,500.00	\$18,000.00	7/31/2014
15	218 Wilson Street, Chapel Hill	Steve Dobbins	1,500	\$1,300.00	\$15,600.00	7/31/2014
16	114A Chase Avenue, Chapel Hill	Skyler Wason & Dana Falkenberg	1,100	\$1,050.00	\$12,600.00	7/31/2014
	114B Chase Avenue, Chapel Hill	Daniel Moseley	780	\$600.00	\$7,200.00	12/31/2014
17	1301 Mason Farm Road, Chapel Hill	Kristie Arkles	2,609	\$1,400.00	\$16,800.00	11/30/2014
18	12276 US Highway 15-501 North, Chapel Hill	Marquis & Anita Bright	1,300	\$1,200.00	\$14,400.00	4/30/2015
19	1500 Mason Farm Road, Chapel Hill	Jeremy & Guenieve Moulton	2,429	\$1,425.00	\$17,100.00	5/31/2015
20	307 W Cameron Ave, Chapel Hill	Dennis Miller	2,936	\$2,075.00	\$24,900.00	5/31/2015
21	620 Park Place, Chapel Hill	Freddie Kiger	1,400	\$1,475.00	\$17,700.00	5/31/2016
22	2311 Homestead Road, Chapel Hill	Michael & Denise Lopez	2,306	\$1,500.00	\$18,000.00	5/31/2016

49,379 \$29,000.00 \$348,002.00

	Location	Lessee's Name		Monthly Rent	Annual Rent	Lease End Date
II. Rental Buildings						
1	Mason Farm Road, Chapel Hill	Environmental Protection Agency	66,000	\$450,810.00	\$5,409,720.00	1/31/2015
2	Carolina Inn, Chapel Hill NC	BOT of the Endowment Fund	118,780	\$0.00	\$1.00	6/30/2041

184,780 \$450,810.00 \$5,409,721.00

Notes

Items 1, 2, 3 working on new leases

The University of North Carolina at Chapel Hill
Summary of Lease Dispositions
As of July 1, 2013

Location		Lessee's Name	Land Acreage	Annual Rent	Lease End Date
III. Land Leases					
1	Chapel Hill-Carrboro Bikeway	Town of Carrboro	0.70	\$1.00	mth-mth
2	University Lake	Orange Water and Sewer Authority	9.30	\$0.00	8/8/2016
3	Park & Ride Lot near University Lake, Carrboro	Town of Chapel Hill	7.00	\$1.00	5/19/2019
4	Old Mason Farm Road	Family House at UNC Hospitals	5.83	\$1.00	5/31/2031
5	Smith Middle School Playing Fields	Orange Co., NC	16.60	\$0.00	7/13/2031
6	UNC-CH campus -George Watts Hill Alumni Center	General Alumni Association	4.10	\$1.00	10/1/2034
7	101 Old Mason Farm Road	Ronald McDonald House of Chapel Hill	2.04	\$1.00	10/31/2035
8	208 Finley Golf Course Rd	Beta Xi Chapter, Kappa Psi Pharmaceutical Frat.	1.38	\$0.00	8/5/2068
9	Barbee Chapel Rd	UNC Faculty Staff Recreation Association, Inc.	28.00	\$0.00	7/7/2075
10	222 Finley Golf Course Rd.	North Carolina High School Athletic Association	1.45	\$1.00	5/13/2088
11	1411 Homestead Road, Chapel Hill	Town of Carrboro	1.68	\$1.00	11/30/2105
			78.08	\$7.00	

Location		Lessee's Name	Land Acreage	Annual Rent	Lease End Date
IV. Miscellaneous Leases					
1	Horace Williams Airport (South of Runway 27)	US Dept. of Trans., Federal Aviation Admin.	N/A	\$0.00	9/30/2015

Notes

THE UNIVERSITY OF NORTH CAROLINA AT CHAPEL HILL INCENTIVE COMPENSATION PLAN FOR THE VICE CHANCELLOR FOR DEVELOPMENT

INTRODUCTION: Pursuant to Section V.12 of the University's Policy on Non-Salary and Deferred Compensation for Faculty and EPA Non-Faculty Employees, approved by the Board of Trustees (BOT) in June 2013, the Chancellor seeks approval of an Incentive Compensation Plan for the University position of Vice Chancellor for Development.

BACKGROUND: The market for experienced development and fundraising professionals within the higher education community is extremely competitive. Recruiting talent is especially challenging for Research I institutions with the scope and scale of fundraising operations as exists at UNC-Chapel Hill. The University is presently engaged in a national search for a new Vice Chancellor for Development, who serves as the institution's Chief Development Officer and reports directly to the Chancellor. This position is critical to the establishment and execution of a strategic fundraising program for the University, and is especially important at a time when a major new campaign is soon to launch, and other major sources of University revenue (e.g., State appropriations, federal contracts) continue to be at risk.

It is essential that the Chancellor be positioned to offer a competitive total compensation package to the successful candidate that includes base salary (not to exceed the UNC General Administration salary maximum for the position, currently \$395,874), along with the opportunity to receive additional annual non-base incentive compensation. This proposed Incentive Compensation Plan is a necessary and important recruitment and retention tool to attract the highest order development and fundraising talent to this critical senior officer position.

INCENTIVE COMPENSATION PLAN: Under this Plan, the Chancellor is authorized to provide annual non-base incentive compensation to the Vice Chancellor for Development, not to exceed **twenty-five percent (25%)** of the base salary in effect on July 1 **(or the date of hire, if after July 1)** of the fiscal year for which performance is being rewarded. Any non-base incentive compensation payment will be based on demonstrated performance, subject to the achievement of specific performance goals as determined by the Chancellor. The payment will be awarded annually in August of each year, unless the Chancellor, at his/her discretion, determines otherwise. The Chancellor is required to annually report to the Board of Trustees the amount of incentive compensation awarded under this plan, as well as the specific performance criteria on which the non-base compensation is based.

RECOMMENDED ACTION

It is recommended that the Board of Trustees approve the Incentive Compensation Plan authorizing the Chancellor to award annual non-base incentive compensation to the Vice Chancellor for Development in accordance with the above guidelines.



THE UNIVERSITY
of NORTH CAROLINA
at CHAPEL HILL

Attachment R-S-T

CAROL L. FOLT
Chancellor

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CAMPUS BOX 9100
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July 15, 2013

Members of the Board of Trustees
The University of North Carolina at Chapel Hill

Dear Members of the Board:

I am transmitting to you herewith personnel matters in the following categories:

For Action – Personnel Actions	Appendix A
For Action – Actions Conferring Tenure	Appendix A
For Action – Compensation Actions	Appendix B
For Information	Appendix C

Sincerely,

Carol Folt

Attachments

THE UNIVERSITY OF NORTH CAROLINA AT CHAPEL HILL EDUCATIONAL ASSISTANCE PROGRAM FOR KENAN-FLAGLER BUSINESS SCHOOL EPA NON-FACULTY STAFF

INTRODUCTION: The Kenan-Flagler Business School (KFBS) seeks approval of an educational assistance program for selected EPA Non-Faculty Staff employees within the School who demonstrate outstanding job performance and demonstrate significant future leadership potential. This program reimburses tuition for a masters-level degree program offered by the School with the intention of attracting and/or retaining staff who demonstrate the potential to assume increasingly responsible leadership roles within KFBS, and to make substantial contributions to the School's mission. The offering of this benefit is highly selective and has been provided to only four highly deserving staff members over the past five (5) years. This program is being submitted for Board of Trustees (BOT) approval to ensure its continued availability in compliance with recent revisions to the University's Policy on Non-Salary and Deferred Compensation for Faculty and EPA Non-Faculty Employees, which were effective on June 1, 2013. Specifically, Section V.13. of this Policy requires BOT approval for employer-provided benefits in excess of current IRS limits for qualified educational assistance, which as of calendar year 2013 is \$5,250. Above this level, educational benefits are treated as taxable income to the employee and therefore subject to BOT approval as non-salary compensation under the aforementioned Policy.

BACKGROUND: KFBS competes for high quality non-faculty employee talent both with the private sector as well as with peer institutions, some of which offer generous employee educational assistance or tuition waiver benefits. The University's basic tuition assistance program would pay only a fraction of the tuition expense for participation in one of the School's master's level degree programs. The KFBS educational assistance program is intended to provide a mechanism by which the School has the option to offer highly deserving non-faculty staff members with the opportunity to attain a KFBS master's degree at a minimum of cost. This benefit would operate under the following guidelines:

1. The benefit would be in the form of a tuition waiver in the amount of \$20,000 for any two (2) year KFBS traditional master's degree program (e.g., MAC, MBA) or reimbursement of full tuition cost for participation in any KFBS executive degree program such as the Executive MBA (EMBA) or MBA@UNC. The current total tuition cost for the EMBA program and the MBA@UNC program is \$93,500.
2. Employees must be nominated for this benefit by their KFBS manager and this nomination must be considered and approved by a standing Selection Committee composed of the Dean, the Associate Dean for Academic Affairs, and the Associate Dean for Business and Operations.
3. An employee is eligible to receive this benefit only if their nomination demonstrates high leadership potential, consistently outstanding performance in their KFBS position, and the ability to substantially influence or directly impact the accomplishment of KFBS academic and/or business objectives. Approval for this benefit may only be granted with the unanimous approval of the Selection Committee.
4. Eligibility requires full-time employment at KFBS for a period of no less than one (1) year and at least fifty-percent (50%) of the employee's effort must be devoted to KFBS in the case of employees who may have work assignments that also involve other Schools or Divisions of the University.
5. This benefit may not be supported with State appropriated funds; KFBS must reimburse any

waived tuition with non-State appropriated funds.

6. KFBS may not approve new participation in this benefit by more than two (2) staff members in any single fiscal year; any exceptions to this limit must receive the approval of the Chancellor.
7. The employee must agree to personally fund (or obtain a personal or student loan that funds) covered tuition and be reimbursed for this tuition by KFBS on a semi-annual basis over a four-year period, even though completion of the degree program itself is typically of a shorter duration.
8. The payment of any reimbursements under this program shall immediately cease upon the employee or the University terminating their appointment with KFBS, for any reason. In the event the employee is terminated solely for loss of funds, the Dean shall have the option to continue this benefit through the end of the calendar year in which the individual's employment with KFBS terminated.
9. The employee is solely responsible for any personal tax liability as a result of this benefit.
10. Ongoing payment of this benefit is subject to any changes in University or State Policy that govern non-salary compensation of this nature, and this specific provision must be communicated in writing to any employee receiving this benefit and acknowledged by their signature.

Any employee proposed by KFBS for this benefit must receive pre-approval from the Senior Director, Benefits and Work/Life Programs in the University's Office of Human Resources (OHR) in accord with the University's procedures for employee educational assistance. The documentation provided to OHR must demonstrate satisfaction of the criteria established under this plan and also disclose personal relationships, if any, between the subject employee and any current KFBS faculty or staff member to ensure compliance with University nepotism policies.

RECOMMENDED ACTION

Authorize the Dean of KFBS to provide non-salary compensation in the form of a supplementary educational assistance benefit to selected employees of the School, in accordance with the specific program provisions described herein and Section V.13. of the University's Policy on Non-Salary and Deferred Compensation for Faculty and EPA Non-Faculty Employees.

The University of North Carolina at Chapel Hill
EXECUTIVE SUMMARY
Board of Trustees
July 15, 2013

Appendix R

No.	College/Division	Name	Dept./School	Current Rank	New Rank	Effective Date	Salary
Personnel Actions							
New Appointments without Tenure							
1	Health Affairs	Jesse Goldstein	Surgery	N/A	Assistant Professor	8/15/2013	\$230,000
2	Academic Affairs	Mohammad Hosein Jarrahi	SILS	N/A	Assistant Professor	7/1/2013	\$77,000
3	Health Affairs	Brian Pence	Epidemiology	N/A	Assistant Professor	6/15/2013	\$125,000
Addition of Joint Appointment Conferring Tenure Track							
0	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Promotion to Full Professor							
0	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Reappointments to the same Rank							
1	Health Affairs	Mara Buchbinder	Social Medicine	Assistant Professor	Assistant Professor	7/1/2014	\$86,920
2	Academic Affairs	Trennete Clark	School of Social Work	Assistant Professor	Assistant Professor	7/1/2014	\$74,468
3	Academic Affairs	Clark Gray	Geography	Assistant Professor	Assistant Professor	1/1/2015	\$71,680
4	Academic Affairs	Elizabeth Havice	Geography	Assistant Professor	Assistant Professor	1/1/2015	\$70,840
5	Academic Affairs	Alain Laederach	Biology	Assistant Professor	Assistant Professor	1/1/2015	\$108,150
6	Academic Affairs	Adrian Marchetti	Marine Sciences	Assistant Professor	Assistant Professor	1/1/2015	\$71,150
7	Health Affairs	Raul Necochea	Social Medicine	Assistant Professor	Assistant Professor	8/1/2014	\$84,460
8	Academic Affairs	Miriam Robinson	American Studies	Assistant Professor	Assistant Professor	1/1/2015	\$66,655
9	Health Affairs	Whitney Robinson	Epidemiology	Assistant Professor	Assistant Professor	8/1/2014	\$100,000
10	Academic Affairs	Mamarama Seck	African and Afro-American Studies	Assistant Professor	Assistant Professor	1/1/2015	\$61,720
11	Academic Affairs	Ryan Shaw	SILS	Assistant Professor	Assistant Professor	1/1/2015	\$75,000
12	Health Affairs	Crystal Wiley Cene	Medicine	Assistant Professor	Assistant Professor	8/1/2014	\$140,000
13	Health Affairs	William Wood	Medicine	Assistant Professor	Assistant Professor	8/1/2014	\$155,000
14	Academic Affairs	Clara Yang	Music	Assistant Professor	Assistant Professor	1/1/2015	\$67,000
15	Health Affairs	Laura Young	Medicine	Assistant Professor	Assistant Professor	8/1/2014	\$122,640
16	Academic Affairs	Jiayun Zhuang	Dramatic Art	Assistant Professor	Assistant Professor	1/1/2015	\$62,744
Designation/Reappointments to Departmental Chair							
1	Academic Affairs	Howard Aldrich	Sociology	Professor, Chair	Professor, Chair	7/1/2013	\$201,765
Designation/Reappointments to Distinguished Professorship							
1	Health Affairs	Robert Buckmire	Otolaryngology/ Head and Neck Surgery	Clinical Professor	March Floyd Riddle Distinguished Research	8/1/2013-	\$275,760
2	Academic Affairs	Richard Myers	School of Law	George R. Ward Term Associate	Henry Brandis Distinguished Professor of Law	7/1/2013	\$134,346
3	Health Affairs	David Ollila	Surgery	Professor	James and Jess Millis Distinguished Professor	8/1/2013	\$375,000
4	Academic Affairs	Saule Omarova	School of Law	Associate Professor (7/1/2013)	George R. Ward Distinguished Professor of Law	7/1/2013	\$117,344
5	Academic Affairs	Richard Saver	School of Law	Professor	Archer T. Allen Distinguished Professor of Law	7/1/2013	\$150,240
Actions Conferring Tenure							
Promotion Conferring Tenure							
1	Academic Affairs	Jan-Michael Frahm	Computer Science	Assistant Professor	Associate Professor	1/1/2014	\$111,000
2	Academic Affairs	Pamela Lothspeich	Asian Studies	Assistant Professor	Associate Professor	1/1/2014	\$65,780

The University of North Carolina at Chapel Hill
EXECUTIVE SUMMARY
Board of Trustees
July 15, 2013

Appendix R

No.	College/Division	Name	Dept./School	Current Rank	New Rank	Effective Date	Salary
3	Academic Affairs	Mai Thi Nguyen	City & Regional Planning	Assistant Professor	Associate Professor	1/1/2014	\$76,406
4	Academic Affairs	Marc Niethammer	Computer Science	Assistant Professor	Associate Professor	1/1/2014	\$123,800
5	Academic Affairs	Lara Wagner	Geological Sciences	Associate Professor	Associate Professor	1/1/2014	\$70,613
New Appointments Conferring Tenure							
1	Academic Affairs	Sharon Holland	American Studies	N/A	Professor	1/1/2014	\$135,000
2	Academic Affairs	Kimberly Nelson	School of Government	N/A	Associate Professor	8/1/2013	\$106,000
3	Health Affairs	Paula Song	Health Policy & Management	N/A	Associate Professor	1/1/2014	\$145,000
4	Health Affairs	Jeffrey Stringer	Obstetrics & Gynecology	Visiting Professor	Professor	8/1/2013	\$355,000
Addition of Joint Appointment Conferring Tenure							
0	N/A	N/A	N/A	N/A	N/A	N/A	N/A
34 Total							
Corrections							
1	Academic Affairs	Paul Lanier	School of Social Work	N/A	Assistant Professor	7/1/2013	\$73,500 (noted as \$73,000 on May agenda)
2	Health Affairs	Amanda Nelson	Medicine (noted as Surgery on May agenda)	N/A	Assistant Professor	7/1/2013	\$115,000
3	Academic Affairs	Kathryn Reissner	Psychology	N/A	Assistant Professor	7/1/2013	\$80,000 (noted as \$73,500 on May agenda)
4	Health Affairs	Jing Wu	Neurosurgery	N/A	Assistant Professor	7/1/2013	\$164,800 (noted as \$164,000 on May agenda)
5	Academic Affairs	Frank Conlon	Biology	Associate Professor	Professor	7/1/2013	\$130,000 (noted as \$132,000 on May agenda)
6	Health Affairs	William Carpenter	Health Policy & Management	Assistant Professor	Associate Professor	7/1/2013	\$106,260 (noted as \$121,260 on May agenda)
7	Health Affairs	Samuel McLean	Anesthesiology	Assistant Professor	Associate Professor	7/1/2013	\$186,819 (noted as \$252,377 on May agenda)

EXECUTIVE SUMMARY

Board of Trustees

July 15, 2013

No.	College/Division	Name	Department/School	Rank	Reason	Requested Increase Amount	Percent of Increase	Current Salary	New Salary	Effective Date
Compensation Actions						* Available funding for each action has been confirmed by the appropriate Department and School/Division management officials to support the proposed salary increase. Upon implementation, specific funding sources are reviewed and approved at the Department level, as well as by the applicable University Central financial offices, including the University Budget Office and the Office of Sponsored Research for grant-funded salaries.				
1	Health Affairs	Nancy Allbritton	Biomedical Engineering	Chair, Distinguished Professor	Retention	\$23,690	10.00%	\$279,400	\$303,090	7/1/2013
2	Health Affairs	Sylvana Barros	School of Dentistry	Associate Professor (7/1/2013)	Promotion	\$32,025	36.93%	\$86,725	\$118,750	7/1/2013
3	Academic Affairs	Natasha Bowen	School of Social Work	Professor (7/1/2013)	Promotion	\$23,000	26.44%	\$86,976	\$109,976	8/15/2013
4	Health Affairs	Rebecca Fry	Environmental Sciences & Engineering	Associate Professor (7/1/2013)	Promotion	\$10,000	11.11%	\$90,000	\$100,000	8/10/2013
5	Health Affairs	Richard Goldberg	Biomedical Engineering	Research Associate Professor	Retention	\$14,055	14.23%	\$98,737	\$112,792	7/1/2013
6	Academic Affairs	Paul Smokowski	School of Social Work	Research Professor (8/16/2013)	Non State Funds: Will continue to serve as PI on UNC-CH federal project, starting employment at other institution with salary increase.	\$26,349	24.25%	\$108,651	\$135,000	9/1/2013

No.	College/Division	Name	Department/School	Rank	Reason	Total Monetary Value of Non-Salary Compensation	Duration of Non-Salary Compensation	Effective Date	End Date
Non-Salary Compensation Actions									
0	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

EXECUTIVE SUMMARY

Board of Trustees

July 15, 2013

No.	College/Division	Name	Department/School	Rank	Description
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For Information

1	N/A	N/A	N/A	N/A	N/A