

Policy 1-5.1 Rev.  
Date: September 13, 2004

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Subject: **BOARD OF TRUSTEES' REVIEW OF SIGNIFICANT TRANSACTIONS**

I. PURPOSE

To establish a protocol for University of Utah Board of Trustees' review and, in certain instances, approval of significant University transactions.

II. REFERENCES

Policy and Procedures No. 1-5 Processing and Signing Official Documents

Policy and Procedures No. 2-0 Personnel Definitions

Policy and Procedures No. 3-4 Banking Policy

Utah System of High Education Policy R-220

III. POLICY

- A. The Board of Trustees consults with and gives advice to the President on matters related to the institution. It is intended that there be free and open communication between the President and Trustees regarding matters of strategic importance and matters that have the possibility of significantly impacting community relationships. The Trustees shall be consulted regarding decisions that would significantly impact:
1. The institution's financial viability and strength (e.g., long term commitments of significant resources);
  2. Institutional personnel and/or organizational structures;
  3. Academic programs and student life (e.g., resource allocation decisions with substantial programmatic implications);
  4. Community and legislative relationships; or
  5. The Institution's mission and long range or strategic plan.
- B. Consistent with paragraph A above, the following legal and financial matters shall be presented to the Trustees for approval:
1. Sale of University assets, defined as all sales of University owned real property, including land and buildings, and sales of other University assets with a value exceeding \$10 million. This provision does not apply to the sale of property donated to the University of Utah earmarked for immediate sale and valued at less than \$1 million.
  2. Construction and renovation projects with an estimated cost exceeding \$250,000, regardless of funding source.

3. Donation agreements for major gifts of \$5 million or more that include substantial obligations for the University beyond complying with the donor's intent regarding use of the donated funds. For example, this would include agreements obligating the University to provide substantial non-gift resources for ongoing programs. It also includes all donations associated with naming (a) any building; or (b) any component part of a building that has a value of \$50,000 or more.
4. Outsourcing major existing operational functions that involve annual expenditures or revenues exceeding \$5 million and/or involving displacement of more than 50 University employees in a single unit.
5. Creation of new University owned legal entities, including foundation, non-profit organizations, external joint ventures, and other legal entities to be owned in whole or in part by the University.
6. Employment agreements for Vice Presidents, General Counsel and the Director of Athletics that have a duration of three years or more and that contain provisions for termination other than "serving at the pleasure of the president."
7. Appointments of faculty, officers of the administration (except for the University President), and deans and administrators with faculty appointments (categories A, B, and C as outlined in University policy 2-0).
8. The issuance of all bonds and certificates of participation.
9. All contracts, including leases and debt transactions, that obligate the University to pay an aggregate amount under the agreement of \$10 million or more. This provision does not apply to investment transactions. The University shall make a report of the previous month's investment transactions at each Board of Trustees meeting.
10. Establishment of bank accounts and authorized signers, as described in University Policy 3-4.
11. University tuition and mandatory student fees which require approval by the Board of Regents.

Approved by Board of Trustees: Sept 13, 2004