

VII. STANDING ORDERS**B. Finance, Audit and Facilities Committee**Revising *Board of Regents Governance*, Standing Orders, Chapter 1, Delegation of AuthorityRECOMMENDED ACTION

It is the recommendation of the administration and the Finance, Audit and Facilities Committee that the Board of Regents approve the revisions to the *Board of Regents Governance*, Standing Orders, Chapter 1, “Delegation of Authority.”

BACKGROUND

This revision to the Standing Orders, Chapter 1, “Delegation of Authority,” is primarily housekeeping in nature and brings the standing delegations up-to-date with recent Regental actions, updates existing delegation to accurately reflect current practice, and corrects outdated personnel titles.

The proposed revisions to the Standing Orders, Chapter 1 are provided in the attachment, and include the following:

- The proposed revision in Section 6.H.3 broadens the authorization for “group purchasing organizations” beyond those intended specifically for “nonprofit cooperative hospitals,” as authorized by the 2010 state legislature, and eliminates the names of specific state agencies that are currently being phased out by replacing named agencies with “agencies of the state of Washington”;
- The proposed revision in Section 6.H.7 updates language to reflect the University’s current practice of using full or partial self-insurance as an option to the procurement of property or casualty insurance;
- In September 2010 and July 2011, the Board of Regents took action on items relating to establishing legal entities outside the United States, delegating this authority to the President. The proposed revisions are reflected in Section 6.H.12 and Section 6.H.13, respectively.
- Throughout Sections 6 and 8 proposed revisions also update personnel titles and make minor edits for consistency.

REVIEW AND APPROVAL

These proposed revisions have been reviewed by the Attorney General’s Office, and endorsed by the Office of the President and the Office of the Senior Vice

VII. STANDING ORDERS

B. Finance, Audit and Facilities Committee

Revising *Board of Regents Governance*, Standing Orders, Chapter 1, Delegation of Authority (continued, p. 2)

President.

Attachment

Proposed revisions for the *Board of Regents Governance*, Standing Orders, Chapter 1, "Delegation of Authority"

Delegation of Authority

1. Authority of the Board

Under state law the Board of Regents has full control of the University and its property of various kinds. Any authority delegated by the Board shall always be subject to the ultimate authority of the Board. In retaining the ultimate authority over the University with which it is charged by law to exercise within constitutional and statutory limitations, the Board shall exercise the right of periodic review of any and all aspects of government of the University, the right to intervene and modify any rule, regulation, or executive order formulated by the President or the faculty, the right to amend or rescind any existing rule, regulation, or executive order, and the right to enact such rules, regulations, and orders as it deems proper for the government of the University.

2. Government of the University

For the purpose of effecting the government of the University under and by the Board of Regents, the President of the University or the President's designee is authorized to act for the Board of Regents in formulating, prescribing and issuing rules, regulations, and executive orders not inconsistent with the By-laws, Standing Orders, and other orders of the Board and applicable state law for the immediate government of the University. The President is specifically authorized to establish emergency rules and amendments; to establish expedited rules and amendments in order to correct typographical errors, make address changes, or clarify language of a rule without changing its effect; and to make expedited repeals. In carrying out these duties, the President or the President's designee shall consult the University faculty and may delegate in whole or in part the responsibility for formulating such rules, regulations, and executive orders to said faculty. It is not intended that such consultation or delegation shall remove from the President or the President's designee the authority and the responsibility vested in the President by the Board of Regents for such decisions, among others, as those concerning the utilization of available resources, organizational structure, and administrative personnel.

The channel of authority from the Board of Regents to the faculty, staff, and other officers and employees of the University shall be through the President of the University. All faculty, staff, and other officers and employees of the University shall, through appropriate channels, be responsible to the President of the University and through the President to the Board of Regents.

3. Faculty, Classified Staff, and Professional Personnel

The President of the University or the President's designee is authorized to act for the Board of Regents regarding all personnel and employment matters concerning the faculty, classified staff, and professional personnel except the following: new appointments of vice presidents, deans, department chairs, and directors of academic units; new appointments to the rank of professor, associate professor, and assistant professor; new appointments to faculty positions with tenure; new appointments of full-time instructors and lecturers; new appointments of full-time acting and visiting faculty in professorial ranks, instructorships, and lectureships; appointments to endowed chairs or professorships; appointments of distinguished visitors; policy changes in retirement, insurance, and other fringe benefit provisions; and initial collective bargaining agreements with representatives of newly certified bargaining units.

4. Grant and Contract Awards

The President of the University or the President's designee is authorized to act for the Board of Regents regarding all matters concerning grants and contracts for research, development, service, and training except the acceptance of initial contract awards exceeding \$1,000,000: provided, that the President or the President's designee is authorized to accept initial contract awards exceeding \$1,000,000 whenever the period between scheduled Board of Regents meetings exceeds 45 days, with a report of all such awards to be submitted to the next scheduled monthly meeting of the Board.

5. Student Body

The President of the University or the President's designee is authorized to act for the Board of Regents in the management of the student body and other matters incident thereto, including athletics, except the following: the establishment of written standards of student conduct and formal hearing procedures for student discipline.

6. Execution of Instruments, Business Affairs, and Operations

The President of the University or the President's designee is authorized to act for the Board of Regents regarding the execution and administration of instruments and the general business and financial affairs of the University which occur in the usual course of business except the following:

- A. The naming of University buildings or outdoor areas in recognition of individuals or organizations~~((:))~~.
- B. The execution of instruments relating to real property, including the Metropolitan Tract, where the anticipated cost or value to the University exceeds \$1,000,000~~((:))~~.
- C. The appointment of external auditors; insurance brokers; investment bankers, managers and advisers; and financial custodians~~((:))~~.
- D. The use of University facilities by individuals or organizations for non-University events that would significantly affect normal campus activities or the surrounding community~~((:))~~.
- E. Any instrument, prior to its execution, that the President, the ~~((Executive))~~ Senior Vice President for Finance and Facilities, or any regent deems appropriate for regental consideration~~((:))~~.
- F. When a capital project budget is anticipated to exceed \$1,000,000, approval of that capital project budget, appointment of project architects, award of construction contracts, and single increases to the capital project budget where the increase is greater than 10% of the approved project budget. However, when the anticipated capital project budget exceeds \$1,000,000 and is less than \$5,000,000, the President or the President's designee may approve and execute all instruments related to the capital project and report all such actions to the Board of Regents no less often than quarterly.
- G. The execution of any other instruments, including but not limited to instruments related to acquisitions of goods and services, where the anticipated cost or value to the University exceeds \$1,000,000. However, when the cost or value to the University exceeds \$1,000,000 and is less than \$5,000,000, the President or the President's designee may approve and execute the instruments and report all such actions to the Board of Regents no less often than quarterly. When the ultimate aggregate cost to the University is not known in advance for instruments relating to the acquisition of goods or services on a continuing or

intermittent basis (e.g. rental, service, or supply contracts), the amounts set forth in this paragraph shall be calculated on a per month basis.

- H. Notwithstanding the dollar limits specified in Subsections B, F, and G, the President or the President's designee is authorized to act for the Board of Regents regarding the execution and administration of all instruments, business affairs, and operations relating to:
- 1) The procurement of utility services;
 - 2) Subcontracts for collaborative research entered into in furtherance of sponsored research programs;
 - 3) The procurement of goods and services made by participating in contracts entered into by ~~((nonprofit cooperative hospital))~~ group purchasing organizations, including organizations for nonprofit cooperative hospitals, and those ~~((or))~~ awarded by agencies of the state of Washington ~~((Department of General Administration and Department of Information Services))~~;
 - 4) The procurement of equipment and furnishings that are included in capital project budgets that have been authorized by the Board of Regents;
 - 5) The procurement of goods and services for sponsored research programs when the source of the goods or services is directed by the sponsor, or the sponsor retains title to the goods acquired;
 - 6) The settlement of claims or lawsuits brought against the University;
 - 7) The procurement of property or casualty insurance, self-insurance, or any combination thereof;
 - 8) Leases of real property and modifications thereto of up to 20 years;
 - 9) Deferred gift assets;
 - 10) Real property acquired through gift or devise;
 - 11) Actions necessary to protect the University's interests and operations in response to an emergency situation; ~~((and))~~
 - 12) Actions and execution of documents necessary to establish legal entities, controlled by the University, through which the University can conduct itself in foreign countries;
 - 13) The selection of depositories; and
 - 14) The execution of all time-critical instruments and business affairs requiring action between scheduled Board of Regents meetings, provided, that the President of the University or the President's designee secures approval of the Chair or Vice Chair of the appropriate ~~((Regents))~~ regental committee and submits a report of any actions taken pursuant to this delegation to the Board of Regents at its next regularly scheduled meeting.

7. Commencement of Legal Action

The President of the University or the President's designee is authorized to act for the Board of Regents regarding all legal action necessary to protect the interests of the University: provided, that no litigation shall be instituted against a public entity or official or in exercise of the power of eminent domain without consultation with the President of the Board of Regents or, in the absence of the President, the Vice President of the Board of Regents.

8. Gift Evaluation and Acceptance

The Board of Regents of the University of Washington authorizes the President, or the President's designee, to accept all current and deferred gifts to the University, including gifts to establish quasi-endowed or permanently endowed funds.

A. Not included in this delegation are the following:

- 1) Gifts to the University of Washington Foundation, which shall continue to be accepted by the University of Washington Foundation in accordance with the terms and conditions of the Agreement for Services between the University and the Foundation dated October 18, 1988 (as may be amended from time to time);
- 2) Gifts that create obligations on the part of the University for expenditures or costs for which there is no established funding source;
- 3) Gifts with a value exceeding \$5,000,000 which are:
 - a) For construction of facilities not previously approved, or
 - b) Non-traditional investment assets (such as real estate, debt instruments, closely held stock, partnership interests, permanent insurance policies, royalties, copyrights, licenses, and other illiquid assets); provided such gifts with a value between \$1,000,000 and \$5,000,000 will be reported to the Board of Regents quarterly;
- 4) A gift requiring naming of a permanent University building; and
- 5) Any other gift that the President, the Vice President for ((Development and Alumni Relations)) University Advancement, or any regent deems appropriate for regental consideration.

B. **Concurrence Required in Certain Gift Transactions**

- 1) The following types of gifts shall be accepted only upon the recommendation of the Vice President for ((Development and Alumni Relations)) University Advancement and the concurrence of the Treasurer of the Board of Regents, or their designees:
 - a) Current gifts of non-traditional investment assets, charitable lead trusts where the University is to act as trustee, bargain sale gifts of property, and partial interest gifts.
 - b) Deferred gifts, if the University is to act as trustee or custodian of the deferred gift.
- 2) Gifts of real estate, interests in real estate, or gifts of debt instruments secured by real estate shall be accepted only with the concurrence of the University's Chief Real Estate Officer. The Chief Real Estate Officer shall determine in each such case whether a hazardous waste inquiry or other due diligence is required, and the scope and extent of such inquiry. The Real Estate Office, in consultation with the ((Development)) University Advancement Office, shall establish further policies and procedures regarding evaluation of gifts of real estate, as may be necessary or desirable from time to time. The Chief Real Estate Officer shall, when appropriate, engage the Attorney General, or a Special Assistant Attorney General appointed thereby, in legal matters pertaining to the evaluation and administration of gift real property.

- 3) Gift credit for discounted purchases shall be awarded only upon the recommendation of the dean or director of the recipient unit and the ~~((Director of Corporation/))~~ Assistant Vice President for Corporate and Foundation Relations, and the concurrence of the ~~((Executive))~~ Senior Vice President for Finance and Facilities or designee.
- 4) Any gift with unusual terms or conditions affecting an academic program shall be accepted only with the concurrence of the Provost, or the Provost's designee, to the proposed terms or conditions.

C. Use of Legal Counsel

The President shall, when appropriate, engage the Attorney General, or a Special Assistant Attorney General appointed thereby, in legal matters pertaining to the ~~((Development))~~ University Advancement Program. The Vice President for University ~~((Development and Alumni Relations))~~ Advancement or the Vice President's designee shall assist the President in evaluating technical considerations regarding gift acceptance, and shall advise the Financial Management staff of potential fiduciary concerns affecting the administration of charitable trusts and life income gifts.

All written agreements substantially shall follow the format of the specimen gift agreements approved by the Office of the Attorney General. Because the University does not provide legal advice to prospective donors, all prospective donors shall be urged to seek their own legal counsel in matters relating to their gift planning, taxes, and estate planning.

D. Negotiation of Planned Gifts

The Vice President for University ~~((Development and Alumni Relations))~~ Advancement and the Vice President's designees charged with securing deferred gifts are authorized to negotiate with prospective donors regarding the terms of lead trusts, partial interest gifts, bargain sale gifts, gifts of non-traditional investment assets, and deferred gifts benefiting the University, following program guidelines and prototype agreements approved by the Office of the Attorney General. Where appropriate, they shall consult with the Treasurer of the Board of Regents and the Chief Real Estate Officer in negotiating such gifts.

9. Disposition of Gifts

The proceeds of any gift, devise, bequest, or contribution received by the University shall be administered in accordance with the intention of the donor and any directions of the Board of Regents in accepting the gift. The President of the University or the President's designee is authorized to act for the Board of Regents regarding:

- A. The disposition of gifts; and
- B. The expenditure of the accumulated and current income of the Walker-Ames Fund in accordance with the terms of the resolution and memorandum of agreement adopted by the Board on August 29, 1931: provided, that a plan for such expenditures has been first approved by the President and the Vice President of the Board.

BR, September 17, 1971; June 23, 1972; January 9, 1981; July 11, 1985; February 5, 1992; March 20, 1992; January 21, 2000; September 17, 2004; March 19, 2009; July 21, 2011.