



# UNIVERSITY OF MINNESOTA BOARD OF REGENTS POLICY

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## Delegation of Authority RESERVATION AND DELEGATION OF AUTHORITY

**Adopted:** April 5, 2001

**Amended:** July 9, 2004; December 10, 2004; July 9, 2008; February 12, 2010; February 10, 2012; March 1, 2012

**Supersedes:** (see end of policy)

## RESERVATION AND DELEGATION OF AUTHORITY

### ARTICLE I

#### RESERVATION OF AUTHORITY

##### SECTION I. GENERAL RESERVATIONS OF AUTHORITY.

**Subd. 1.** The Board of Regents reserves to itself all authority necessary to carry out its legal and fiduciary responsibilities under the University Charter, the Constitution of the State of Minnesota, and the Board of Regents (Board) Bylaws. This reservation specifically includes all authority to enact laws and policies for the governance of the University of Minnesota (University) and to issue Board directives to executive officers and employees. The Board's reserved authority shall be exercised consistent with the University Charter, the Constitution of the State of Minnesota, Board Bylaws, and relevant Board policies.

**Subd. 2.** The Board reserves to itself authority to ensure constitutional and institutional autonomy, to approve the University's mission and vision, to set the overall direction of the institution, including the adoption of fundamental plans for the educational, financial, and physical development of the University, and to declare a fiscal emergency.

**Subd. 3.** No authority that the Board reserves to itself in this policy shall be exercised by any other person or body unless expressly authorized by Board policy or directive.

**Subd. 4.** The Board reserves to itself authority to approve the use, and revocation of the use, of its corporate name or any abbreviated name, including *University of Minnesota*, by any non-University person or entity, consistent with Board policies. The Board also reserves authority over the removal of the corporate name or any abbreviated name from the name of any University campus, college, school, division, or unit, consistent with Board policies.

**Subd. 5.** The Board reserves to itself authority to approve any commercial transaction or matter not otherwise subject to Board approval if the transaction or matter:

- (a) raises unusual questions of public interest or public policy;
- (b) has a significant impact on the University's mission; or
- (c) has a value greater than \$2 million.

##### SECTION II. CONDUCT OF BOARD BUSINESS.

The Board reserves to itself authority to establish procedures for the conduct of its business, create committees, set its agenda, require reports from executive officers and employees, hear appeals, and enforce its code of ethics.



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### **SECTION III. ELECTION OF BOARD OFFICERS.**

The Board reserves to itself authority to elect and remove Board officers, including the president, chair, vice chair, secretary, and treasurer.

### **SECTION IV. APPOINTMENT AUTHORITY.**

**Subd. 1.** The Board reserves to itself authority to appoint all individuals and approve any individually negotiated terms of employment for those who serve in each of the following positions:

- (a) Senior Vice President for Academic Affairs and Provost
- (b) Senior Vice President for Academic Administration, University of Minnesota System
- (c) Chancellor
- (d) Vice President
- (e) Provost
- (f) General Counsel
- (g) Librarian
- (h) Director of Audits
- (i) Dean
- (j) Athletic Director, Twin Cities campus
- (k) Such other administrative positions as the Board may specify from time to time.

The president shall recommend individuals for appointment to these positions, consistent with Board policies and directives.

**Subd. 2.** The Board reserves to itself authority to remove University officers as provided in the University Charter. The president (a) may remove the general counsel with Board approval and (b) may remove any other individual appointed under subd. 1 of this section, except the director of audits.

**Subd. 3.** The Board reserves to itself authority to appoint members of the boards of University-associated foundations, institutes, committees, and other bodies, consistent with Board policies.

### **SECTION V. ACADEMIC MATTERS.**

**Subd. 1.** The Board reserves to itself authority to grant academic degrees, grant faculty indefinite tenure, grant continuous appointments to academic professionals, and award the title faculty emeritus, consistent with Board policies.

**Subd. 2.** The Board reserves to itself authority to establish, name, and abolish colleges, academic institutes, programs, and courses of study, consistent with Board policies.



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**Subd. 3.** The Board reserves to itself authority to establish tuition and student fees and approve policies and reciprocity agreements related to such matters, consistent with Board policies.

**Subd. 4.** The Board reserves to itself authority to: (a) establish and review policies relating to the conduct of research and the receipt and accounting of sponsored research funds; (b) require timely reporting to the Board of sponsored research activity; and (c) approve financial support greater than \$250,000 to non-University entities for the commercialization of technology, consistent with Board policies.

**Subd. 5.** The Board reserves to itself authority to approve educational policies and procedures, in consultation with the president and the faculty governance process, consistent with Board policies. This policy is not intended to alter the relationship between the Board, the University Senate, and the faculties regarding educational policies.

### **SECTION VI. AWARDS, HONORS, AND NAMINGS.**

**Subd. 1.** The Board reserves to itself authority to establish and bestow awards, honors, and recognition, consistent with Board policies.

**Subd. 2.** The Board reserves to itself authority to name and revoke names of University buildings and other assets, consistent with Board policies.

### **SECTION VII. BUDGETARY, FINANCIAL, AND INVESTMENT MATTERS.**

**Subd. 1.** The Board reserves to itself authority to approve the following: annual operating budgets; the central reserves budget and minimum reserve level; and adjustments and amendments, consistent with Board policies. The Board also reserves to itself authority to approve any modifications to the central reserves budget and any expenditures from the central reserves general contingency account, consistent with Board policies.

**Subd. 2.** The Board reserves to itself authority to approve all requests for operating and capital budget appropriations from the State of Minnesota and positive or negative adjustments to the budget caused by a 1% or more change in total appropriations within a fiscal year.

**Subd. 3.** The Board reserves to itself authority to establish investment objectives, approve asset allocation guidelines, and approve the payout rate for endowment distributions.

**Subd. 4.** The Board reserves to itself authority to authorize issuance and retirement of debt and to engage debt advisers and/or underwriters, consistent with Board policies.

**Subd. 5.** The Board reserves to itself authority to accept gifts for the benefit of the University, consistent with Board policies.

**Subd. 6.** The Board reserves to itself authority to approve individual purchases of goods and



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services with a value greater than \$1,000,000, consistent with Board policies.

### **SECTION VIII. PROPERTY, FACILITIES, AND CAPITAL BUDGETS.**

**Subd. 1.** The Board reserves to itself authority to approve the purchase or sale of real property with a value greater than \$1,250,000 or larger than ten (10) acres, consistent with Board policies.

**Subd. 2.** The Board reserves to itself authority to approve leases of real property, easements, and other interests in real property if the initial term amount to be paid by or to the University exceeds \$1,250,000, consistent with Board policies.

**Subd. 3.** The Board reserves to itself authority to exercise the power of eminent domain to acquire land for University purposes.

**Subd. 4.** The Board reserves to itself authority to (a) exercise property owner rights regarding the designation, decommissioning, or demolition of historic resources; and (b) take final action on all environmental reviews of historic resources initiated by the administration for which the University is the responsible governmental unit, consistent with Board policies and applicable state and federal laws.

**Subd. 5.** The Board reserves to itself authority to approve campus master plans and amendments thereto.

**Subd. 6.** The Board reserves to itself authority to approve multi-year capital plans consisting of projects with a value greater than \$1,000,000.

**Subd. 7.** The Board reserves to itself authority to approve annual capital budgets consisting of projects with a value greater than \$500,000.

**Subd. 8.** The Board reserves to itself authority to approve capital budget amendments to approved projects and new projects when the amendment has a value greater than \$500,000.

**Subd. 9.** The Board reserves to itself authority to approve project schematic plans for (a) interior renovations with a value greater than \$5,000,000; (b) projects with a value greater than \$2,000,000 that have an exterior visual impact; (c) projects that vary from adopted campus master plans or that have a significant visual impact; and (d) projects noted during the annual review of the capital budget.

**Subd. 10.** The Board reserves to itself authority for a subsequent review of approved capital budget projects with a value greater than \$5,000,000 prior to the award of construction contracts.

### **SECTION IX. LEGAL MATTERS.**



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The Board reserves to itself, or to one of its committees, authority to direct the president or the general counsel to settle any legal claim or initiate or appeal a lawsuit or administrative proceeding, consistent with Board policies.

**SECTION X. AUDIT FUNCTION.**

The Board reserves to itself authority to adopt policies regulating the audit function; approve selection of external auditors and the director of audits; and evaluate the performance of the independent auditor, and, jointly with the president, the performance of the internal audit function.

**SECTION XI. EMPLOYMENT AND LABOR RELATIONS.**

**Subd. 1.** The Board reserves to itself authority to approve all contracts and other agreements with the exclusive collective bargaining representatives of its employees.

**Subd. 2.** The Board reserves to itself authority to approve civil service rules and annual pay and benefit plans for University employees.

**Subd. 3.** The Board reserves to itself authority to establish or discontinue retirement plans for University faculty and staff. For those plans sponsored by the University and governed by formal plan documents, the Board reserves to itself authority to approve amendments to those plans that significantly affect the cost structure of the plans. An amendment is considered to significantly affect the cost structure of the plan if the change causes a cost impact of more than \$250,000.

**Subd. 4.** The Board reserves to itself authority to review individually negotiated employee severance agreements of unusual importance or significance.

**SECTION XII. ASSOCIATED ORGANIZATIONS.**

The Board reserves to itself authority to approve the legal structure and scope of any relationship between the University and any associated organization, non-profit corporation, foundation, institute, or similar entity that substantially relies upon University resources or personnel to carry out its mission.

**ARTICLE II**

**DELEGATION OF AUTHORITY**

**SECTION I. DELEGATION OF AUTHORITY TO THE PRESIDENT.**

The Board delegates to the president authority to act as chief executive officer of the University, with such general executive management and administrative authority over the University as is reasonable and necessary to carry out the policies and directives of the Board, subject to the limitations noted in Article II, Section II below.



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**SECTION II. LIMITATIONS UPON PRESIDENTIAL AUTHORITY.**

The authority delegated to the president is limited by the following:

- (a) The provisions of the University Charter and the Constitution of the State of Minnesota;
- (b) The provisions of Board Bylaws;
- (c) The provisions of Board policies and directives, including specifically Article I of this policy; and
- (d) The directive that the president shall notify the Board of any matter not otherwise addressed in this section that significantly involves the authority and role of the Board, including its fiduciary, oversight, and public accountability responsibilities.

**SECTION III. DELEGATION OF AUTHORITY BY THE PRESIDENT.**

**Subd. 1.** Unless otherwise restricted by specific Board policies or directives, the president shall be responsible for delegating general executive management and administrative authority to other executive officers and employees as necessary and prudent, including authority to execute contracts and other legal documents. The president may condition, limit, or revoke any presidential authority so delegated.

**Subd. 2.** All delegations and revocations under this section shall be in writing, name the individual to whom such authority is delegated, describe the scope and limitations of such authority, and prescribe the extent to which such authority may be further sub-delegated.

**Subd. 3.** All delegations and revocations under this section shall be reviewed as to form, legality, and consistency by the general counsel.

**Subd. 4.** Annually, the president shall report to the Board significant changes to the delegations.

**SECTION IV. DELEGATION OF AUTHORITY TO THE CHAIR AND VICE CHAIR.**

The chair and vice chair of the Board shall have such authority as is authorized by Board Bylaws and policies and is customarily exercised by such officers of a corporation. The chair shall have authority to execute any and all instruments and documents on behalf of the Board.

**SECTION V. DELEGATION OF AUTHORITY TO THE BOARD SECRETARY,**



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### **TREASURER, GENERAL COUNSEL, AND DIRECTOR OF AUDITS.**

The secretary, treasurer, general counsel, and director of audits shall have authority to perform such duties for the Board as provided by Board Bylaws, policies, and directives.

The secretary shall have authority to execute such instruments and documents that would customarily devolve upon a corporate officer and are usual to that office.

The secretary and the general counsel shall have authority to accept legal service on behalf of the University.

### **SECTION VI. CONFORMANCE WITH THIS POLICY.**

**Subd. 1.** No executive officer or employee of the University shall have any authority to take any action or make any representation on behalf of the University beyond the scope of, or materially inconsistent with, the authority delegated to such executive officer or employee as provided in this policy.

**Subd. 2.** The secretary and the general counsel each shall have the duty to inform the Board of any existing or proposed Board policy or directive that is inconsistent with or alters the delegations of authority as provided in this policy.

**SUPERSEDES:** GENERAL DELEGATIONS ADOPTED OCTOBER 17, 1980, LAST AMENDED OCTOBER 10, 1997.