

## VII. STANDING COMMITTEES

## B. Finance, Audit, and Facilities Committee

Update of the Banking Depository Delegation and Amendment of Standing OrdersRECOMMENDATION:

It is the recommendation of the administration and the Finance, Audit and Facilities Committee that the Board of Regents amend the Board of Regents' Standing Orders, Chapter 1 "Delegation of Authority," Section 6 "Execution of Instruments, Business Affairs, and Operations" to change the current delegation related to depository relationships.

BACKGROUND:

Under the current Standing Orders, Chapter 1, Section 6, the Board has reserved for itself the ability to execute and administer certain instruments related to the general business and financial affairs of the University, specifically Section 6(D), the "selection of depositories other than national or state-chartered institutions." The recommended action would remove this from the exception list of authorities delegated to the President, thus giving authority to sign depository relationships to the President.

**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:

~~D. ; The selection of depositories other than national or state chartered institutions;~~

Current specific delegations to the President for banking relationships, specifically, depositories, were established many years ago when state and federal statutes and other regulations limited depository relationships to state and federally chartered banking institutions only. In recent years, external regulations at both the state and federal levels have been modified to permit the establishment of bank accounts globally. Further, the Board of Regents, in 2010, authorized the President to establish UW operations overseas. Thus, this action is to align authorizations to establish bank accounts with prior authority to establish UW operations abroad.

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### B. Finance, Audit, and Facilities Committee

#### Update of the Banking Depository Delegation and Amendment of Standing Orders (continued, p. 2)

The new authority will facilitate establishing regional banks to support the growing foreign operations in countries around the world, primarily to support Department of Global Health sponsored programs. Historically, the University has wired funds directly into local country accounts as needed. The volume of funds sent overseas has grown over the past several years to over \$25M during fiscal year 2011. Establishing regional accounts will reduce foreign exchange costs as well as maintain better control over the funds. In addition, these regional banks typically have US offices, and thus, are subject to the supervision, examination and regulation of a state or federal oversight body.

The selection process for these foreign chartered institutions will include not only an analysis of fees and services, but also consideration of the size and reputation of the institution. In addition, the most recent financial statements for the institution will be reviewed to identify any potential solvency issues.

#### REVIEW AND APPROVALS:

This recommendation has been reviewed and approved by the Interim President, the Senior Vice President and Treasurer, Board of Regents, and the Controller/Associate Vice President, Financial Management.

#### *Attachment*

Proposed Amendments to the Board of Regents Standing Order, Chapter 1, Section 6 “Delegation of Authority”

# Board of Regents Governance

## Standing Orders

### Chapter 1

#### Delegation of Authority

##### 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 selection of depositories other than national or state chartered institutions;~~
- ED.** The use of University facilities by individuals or organizations for non-University events that would significantly affect normal campus activities or the surrounding community;
- FE.** Any instrument, prior to its execution, that the President, the Executive Vice President, or any Regent deems appropriate for Regental consideration;
- GF.** 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.
- HG.** 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.

**I~~H~~**. Notwithstanding the dollar limits specified in Subsections **B**, ~~**F**~~, and ~~**H**~~**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, or awarded by 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;
- 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)** 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 Committee and submits a report of any actions taken pursuant to this delegation to the Board of Regents at its next regularly scheduled meeting.