Committee on Finance, Business and Capital Planning

Operating Guidelines

Purpose:

As set forth in the University’s Bylaws, the Committee on Finance, Business and Capital Planning (the “Committee”) shall consider and report or recommend to the Board of Trustees on matters pertaining to:

1) finance, business, budgets, non-budget expenditures, staffing, investments, trust funds, insurance, real estate contracts, government and private contracts, and grants, fees, room and board charges, and the long-range financial planning and development of the University;

2) endowments, gifts, and fund raising;

3) the purchase and sale of real estate, master plans, construction, the appointment of architects, the selection of architectural styles and materials, architect’s plans, the award of contracts, and the names of buildings and roads; and

4) the University’s capital plan, the long-range comprehensive physical plant and infrastructure development of the University at each campus, consistent with the long-range educational development of the University.

Composition:

The Committee shall consist of not less than five (5) members appointed by the Chair of the Board of Trustees in accordance with the Bylaws, in addition to the ex officio members. In addition, in accordance with the Board’s Standing Orders, the Chair of the Board of Trustees is authorized to invite faculty representatives, student representatives or other constituent representatives to attend and participate in the meetings of the Committee (other than executive sessions) as non-voting members. The Senior Vice President for Finance and Business shall serve as an on-going resource for, and administrative liaison to, the Committee. Other members of the University administration, faculty, staff and student body may be invited to participate as deemed appropriate by the Chair of the Committee and shall be non-voting guests.

Meetings:

The Committee shall meet at least 5 times each calendar year, or more frequently as needed at the discretion of the Chair of the Committee. Meetings shall take place during regularly scheduled sessions of the Board Committees and on an ad hoc basis as determined by the Chair of the Committee.
Authority/Responsibilities:

In accordance with the responsibilities set forth in the Bylaws, the Committee’s specific responsibilities will be to:

Fiscal Responsibilities and Approval Thresholds

<table>
<thead>
<tr>
<th>Fiscal Responsibility</th>
<th>Information</th>
<th>BOT Approval</th>
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<tbody>
<tr>
<td>Review and recommend the establishment of, or changes to, major University fiscal policies.</td>
<td>--</td>
<td>X</td>
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<tr>
<td>Review and recommend consideration of the annual request for Commonwealth appropriation for operations.</td>
<td></td>
<td>X</td>
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<tr>
<td>Review and recommend approval of annual University operating budget.</td>
<td>--</td>
<td>X</td>
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<tr>
<td>Review and recommend consideration of proposed interim operating budget.</td>
<td>--</td>
<td>X</td>
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<tr>
<td>Review and recommend establishment of tuition, room and board rates, and mandatory student fees.</td>
<td>--</td>
<td>X</td>
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<tr>
<td>Receive and review report on the Long Term Investment Pool.</td>
<td>X</td>
<td>--</td>
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<tr>
<td>Review and recommend the appointment of non-University employees to serve on the Penn State Investment Council.</td>
<td>--</td>
<td>X</td>
</tr>
<tr>
<td>Review and recommend acceptance of gifts, bequests, grants, fellowships, scholarships, and loan funds that are not in accord with established policy.</td>
<td>--</td>
<td>X</td>
</tr>
<tr>
<td>Review and recommend changes to the University's borrowing authority.</td>
<td>--</td>
<td>Any</td>
</tr>
<tr>
<td>Review and recommend authorization of persons to sign checks, contracts, legal documents, and other obligations, and to endorse, sell, or assign securities.</td>
<td>--</td>
<td>X</td>
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Capital Responsibilities and Approval Thresholds

<table>
<thead>
<tr>
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<tbody>
<tr>
<td>Review and recommend the establishment of, or changes in the University’s 5-year capital plan.</td>
<td>--</td>
<td>X</td>
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<tr>
<td>Receive reports on capital budget requests submitted to the State.</td>
<td>X</td>
<td>--</td>
</tr>
<tr>
<td>Review and recommend new construction or renovation projects.</td>
<td>$5 million - &lt;$10 million</td>
<td>≥$10 million</td>
</tr>
<tr>
<td>Review and recommend appointment of architects for capital construction projects.</td>
<td>--</td>
<td>≥$10 million</td>
</tr>
<tr>
<td>Authorize other capital expenditures.</td>
<td>$5 million - &lt;$10 million</td>
<td>≥$10 million</td>
</tr>
<tr>
<td>Review and recommend authorization of bond financed projects.</td>
<td>All</td>
<td></td>
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</tbody>
</table>
Receive reports on the progress of new construction or renovation projects.

≥$10 million

Review and recommend honorific naming of buildings/roads

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All

Receive reports on generic naming of individual buildings and roads and honorific naming of University facilities other than individual buildings and roads.

X

Review and recommend establishment of, or changes in existing policies, on matters such as selection of architects, naming of buildings and roads, and preservation of campus landmarks.

All

**Real Estate Responsibilities and Approval Thresholds**

<table>
<thead>
<tr>
<th>Real Estate Responsibility</th>
<th>Information</th>
<th>BOT Approval</th>
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<tbody>
<tr>
<td>Review and recommend the purchase of land or real estate</td>
<td>&lt;$1 million</td>
<td>≥ $1 million</td>
</tr>
<tr>
<td>Review and recommend the sale of land or other real estate, except gifts.</td>
<td>--</td>
<td>All</td>
</tr>
<tr>
<td>Review and recommend the sale of gifted land or real estate.</td>
<td>&lt;$3 million</td>
<td>≥ $3 million</td>
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**Conflict of Interest/Related Party Transactions**

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<tr>
<td>Review and recommend transactions with related parties.</td>
<td>&lt;$10,000</td>
<td>≥ $10,000</td>
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