

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, human resources, 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, including self-supporting units and auxiliaries;
- 2) endowments, gifts, and fund raising;
- 3) the purchase and sale of real estate, master plans, construction, the award of contracts, and the honorific naming 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.

May 5, 2023

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

Fiscal Responsibility	Information	FBCP Recommend to BoT for Approval
Review and recommend the establishment of, or changes to, major University fiscal policies.	--	X
Review and recommend consideration of the annual request for Commonwealth appropriation for operations.	--	X
Review and recommend approval of annual University all funds operating budget.	--	X
Review and recommend consideration of proposed interim operating budget.	--	X
Review and recommend establishment of tuition, room and board rates, and mandatory student fees.	--	X
Review and recommend proposed graduate student apartment rates.	--	X
Review and recommend the appointment of non-University employees to serve on the Penn State Investment Council.	--	X
Review and recommend acceptance of gifts, bequests, grants, fellowships, scholarships, and loan funds that are not in accord with established policy.	--	X
Review and recommend changes to the University's borrowing authority.	--	X
Review and recommend authorization of persons to sign checks, contracts, legal documents, and other obligations, and to endorse, sell, or assign securities.	--	X
Receive and review report on the Long-Term Investment Pool.	X	--
Review quarterly financial reports and annual college and campus dashboards.	X	--

Capital Responsibilities and Approval Thresholds

Capital Responsibility	Information	FBCP Recommend to BoT for Approval

May 5, 2023

Review and recommend the establishment of, or changes in the University's 5-year capital plan.	--	X
Receive reports on capital budget requests submitted to the State.	X	--
Review and recommend new construction or renovation projects.	\$5 million - <\$10 million	≥\$10 million
Authorize other capital expenditures.	\$5 million - <\$10 million	≥\$10 million
Review and recommend authorization of bond financed projects.		All
Receive reports on the progress of new construction or renovation projects.	≥\$10 million	--
Review and recommend honorific naming of buildings/roads	--	All
Receive annual update on status of capital plan	X	--
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 honorific naming of buildings and roads, and preservation of campus landmarks.	--	All

Real Estate Responsibilities and Approval Thresholds

Real Estate Responsibility	Information	FBCP Recommend to BoT for Approval
Review and recommend the purchase of land or real estate	<\$1 million	≥ \$1 million
Review and recommend the sale of land or other real estate, except gifts.	--	All
Review and recommend the sale of gifted land or real estate.	<\$3 million	≥ \$3 million

Conflict of Interest/Related Party Transactions

Conflict of Interest/Related Party Transactions	Information	FBCP Recommend to BoT for Approval
Review and recommend transactions with related parties.	<\$10,000	≥ \$10,000