

NUMBER: FCMN 1.03
SECTION: Facilities Planning and Programming
SUBJECT: Leasing of Real Property
DATE: November 1, 2006
REVISED: October 14, 2014
Policy for: All Campuses
Procedure for: All Campuses
Authorized by: Derrick Huggins
Issued by: Facilities Planning and Programming

I. Policy

The office of Facilities Planning and Programming (FPP) is responsible for securing all leased property for the University system. The University will follow procedures consistent with requirements of the South Carolina Budget & Control Board, Division of General Services, Real Property Services, the Commission on Higher Education Facilities Policies and Procedures and internal University policies, SC Code of Regulations 19.47-1000 and SC Code of Laws 1-11-55.

II. Procedure

A. New Leases

1. All lease requests shall be forwarded to the Director of FPP. The written requests shall be from the Vice-President or Dean of a college, Vice-President or Director of a campus unit, or Vice-Chancellor of a campus (the Lessee) requesting the space and shall include the following:
 - a. Amount of space desired,
 - b. Purpose or justification of use,
 - c. Proposed date of occupancy,
 - d. Proposed source of funds,
 - e. Special requirements.
2. After receiving the written request, FPP will forward a "Space Allocation Form" to be completed by the requesting college/campus unit or campus. Once this form has been returned to FPP, the requesting party and FPP will discuss the process for lease solicitation, other aspects of the lease, and applicable regulatory approvals.
3. Solicitation of lease space will require consideration of multiple lease sites to ensure the Lessee/University receives the most advantageous lease site and lease

terms. The solicitation process is administered by FPP or by Real Property Services (B&CB) depending on the anticipated lease cost. Leases which exceed \$100,000 annual cost must be advertised and solicited by Real Property Services. Real Property Services will prepare a solicitation for available rental space, which may include specific locations suggested by the University. In consultation with the University, Real Property Services will select suitable space and provide written approval to the University. Real Property Services or FPP shall prepare a “Standard Governmental Lease” for approval by the Lessor.

4. After execution by the Lessor, FPP will forward the approved lease, along with a “Contract Approval Form,” to the University Office of General Counsel for review.
5. A “Budget Approval Form” is completed by the Lessee for a major lease as described below. FPP will forward the Budget Approval Form to the Division of Administration and Finance to review and approve confirming that the Lessee can fund the lease cost.
6. Applicable regulatory approvals are dependent upon the annual and total lease cost. All leases are ultimately executed by a University representative authorized by the Board of Trustees.
 - a. Leases less than \$100,000 annual cost or less than \$250,000 term cost do not require University Board of Trustee approval and are executed by the Board Secretary and returned to FPP. FPP will notify Real Property Services of the lease.
 - b. Leases less than \$250,000 term cost, and which exceed \$100,000 annual cost, must obtain Real Property Services (B&CB) staff approval.
 - c. Leases which exceed \$100,000 annual cost require University Board of Trustee approval (unless term value is less than \$250,000) and must obtain Real Property Services (B&CB) staff approval.
 - d. Leases which exceed \$200,000 annual cost require University Board of Trustee approval and are considered “Major Leases.” Major leases require state regulatory approvals from the Commission on Higher Education, JBRC, and the Budget and Control Board.

The FPP office will forward a copy of the lease and a “Lease Payment Authorization Form” to the Lessee. The Lessee shall prepare a purchase requisition to establish a blanket purchase order.

B. Lease Renewal

1. The University Lessee will notify the Director of FPP, in writing, of their intent to

renew a lease six months prior to expiration of the current lease contract including any lease extensions. If required by the lease amount, FPP will notify Real Property Services (B&CB) of the intent to renew. For Major Leases, a new solicitation is required by Real Property Services. Real Property Services will prepare a lease renewal on a "Standard Governmental Lease Renewal" for review by the Lessor.

2. When the lease is returned to the Lessor, FPP shall forward the lease along with a Contract Approval Form to the University Office of General Counsel for review.
3. A new Budget Approval Form will be submitted by the Lessee if the renewal is a Major Lease.
4. Lease renewal approvals proceed in accordance with items II.A.6 and 7 above.

III. Reason for Revision

Policy revisions are needed due to departmental reorganization, departmental name changes, and to comply with changes on state approval procedures. Policy changes required for compliance with all regulations of the State of South Carolina. In addition, procurement changes allow the institution to secure lease contract of \$100,000 or less.