

GUIDING PRINCIPLES BOARD OF VISITORS STRATEGIC INVESTMENT FUND

Purpose. The primary purpose of the Board of Visitors Strategic Investment Fund (the “Investment Fund”) of the University of Virginia (the “University”) is to serve as a source of funding for initiatives that have the potential to transform a critical area of knowledge or operation. As the University embarks upon its third century, it is intended that the Investment Fund be utilized by the Board of Visitors (“BOV”) and the President of the University to position strategically the University as one of the world’s leading institutions of higher learning. Illustrative investments include, but are not limited to: (1) advancing the research capability of the University with a preference for multidisciplinary or multi-school initiatives, (2) transforming the University’s infrastructure, (3) access and affordability initiatives, and (4) enhancing the academic experience. It is expressly intended that the Investment Fund proceeds not be used to supplement the ongoing operations of the University within the scope of the annual budgeting process.

Administration. The BOV authorizes a committee comprised of the Rector, the Vice Rector, the President, the Executive Vice President and Chief Operating Officer, the Executive Vice President and Provost, the Executive Vice President for Health Affairs, and 2 at-large members designated by the BOV, collectively, the Strategic Investment Advisory Committee (“Advisory Committee”) to act on behalf of the BOV in managing all aspects of the Investment Fund (except as provided herein) including, but not limited to, (1) developing a process and schedule for soliciting proposals from the University community for Investment Fund grants, (2) developing criteria for evaluating proposals seeking Investment Fund grants and for evaluating the success of an Investment Fund grant, (3) developing reporting requirements for a proposal’s progress in meeting designated hurdles to qualify for future grant allocations, (4) selecting faculty and other advisors to evaluate and rank Investment Fund grant proposals seeking funding, (5) making recommendations to the BOV for the awarding of Investment Fund grants, and (6) otherwise taking such action (including the expenditure of monies solely for administrative purposes) as appropriate to carry out the BOV’s intended purpose for the Investment Fund. The President shall serve as Chair of the Advisory Committee.

The Advisory Committee shall establish a Strategic Investment Evaluation Committee (“Evaluation Committee”) comprised of five (5) faculty members or advisors to evaluate proposals seeking Investment Fund grants. The Evaluation Committee members will serve limited terms, subject to renewal, and their terms will be staggered. The Evaluation Committee selects its own chair. No member of senior management of the University shall serve on the Evaluation Committee. The Evaluation Committee shall have primary responsibility for evaluating all proposals for Investment Fund grants and shall provide its analysis and rankings of the proposals (with appropriate classifications and written explanations of the basis for the rankings) to the Advisory Committee. The Evaluation Committee shall be compensated on a basis determined by the Advisory Committee and shall be provided appropriate staffing and resources to carry out its responsibilities.

Funding. The funds for the Investment Fund shall be designated in a fund or funds managed by the University of Virginia Investment Management Company (“UVIMCO”). Such funds shall be managed by UVIMCO as with any other University endowment funds.

Awards. Any member of the University community, including any member of the Academic Division, the Medical Center or UVa-Wise, is welcome to develop ideas that could form the basis for a proposal for consideration for an Investment Fund grant. Any such University community member shall work in concert with their appropriate dean, vice president or other executive leader. Any such

proposal for an Investment Fund grant shall be submitted by a dean, vice president, or other executive leader to the Evaluation Committee for consideration and ranking in accordance with a schedule and process developed by such committee. As part of its evaluation, the Evaluation Committee may meet with proposal sponsors to gather additional information and offer refinements and improvements. The Evaluation Committee shall provide to the Advisory Committee written evaluations of proposals recommended for consideration, which may include amendments designed to enhance a proposal's viability. In the course of considering the analysis of the Evaluation Committee, the Advisory Committee may also meet with the sponsor of each proposal and may suggest amendments to enhance such proposal or provide a basis for evaluating the proposal during its funding. The Advisory Committee may also solicit input from the Strategic Investment Fund Student Advisory Committee for proposals related to the student experience. Upon completion of the analysis of the Evaluation Committee and the Advisory Committee, the Advisory Committee shall make recommendations to the BOV.

The BOV shall award Investment Fund grants after considering the recommendations of the Advisory Committee and the analysis of the Evaluation Committee. The BOV may make awards constituting all or only a portion of the funds available for Investment Fund grants in any given year. Such awards may be for one or more years in duration not to exceed three (3) years unless there is a compelling business reason for a longer duration. For those projects that will continue beyond three years, there must be a plan for sustainable funding after Investment Fund grants are expended. All projects must align with the University's Cornerstone Plan, Health System Strategic Plan, or UVA-Wise Strategic Plan.

Approved proposals will contain metrics for measuring the success of the project, and all proposers must expect to provide periodic progress reports. For multiyear projects, funding in years two and three will be contingent upon satisfactory progress.

The amount of funds available from the Investment Fund for Investment Fund grants in any given award period shall be determined by the BOV on a preliminary basis at the commencement of the solicitation process for grant proposals and may be increased by the BOV in the event the grant proposals warrant additional funds in any given award period. Investment Fund expenditure information will be provided in an annual public report.

Amendment. Amendments to these guiding principles ("Guiding Principles") for the Investment Fund shall be effected by a majority vote of the members of the BOV assuming a quorum is present. It is understood that management and operation of the Investment Fund will evolve as experience will inform and refine the process. Within thirty (30) days following the awarding of Investment Fund grants for the first three years of the existence of the Investment Fund and annually thereafter as necessary, the Advisory Committee shall recommend to the Executive Committee of the BOV any changes to the Guiding Principles as deemed necessary or appropriate. Such amendments and the process developed by the Advisory Committee for soliciting grant proposals as well as the criteria utilized to evaluate the grant proposals shall upon approval by the BOV become part of the Guiding Principles of the Investment Fund (with the process and criteria being appended to these Guiding Principles) and shall be communicated to the University community to ensure awareness of the potential for Investment Fund grants and to promote interest in seeking such grants.

Attachment A: Strategic Investment Fund Review Guidelines

1. Projects should build upon existing strengths and demonstrated success and should be presented within the context of broader initiatives at the unit or institutional level. For example, school-based proposals should be aligned with a school's strategic plan and leverage investments and commitments in relevant areas, e.g., faculty hiring, academic programs, equipment, etc. In the case of research, projects should also be aligned with the University's research plan as overseen by the Vice President for Research.
2. Investment Fund grants for specific schools are expected to align with the strategic priorities of that school. As such, these commitments will be considered as part of the funding committed in the dean's contract and/or startup package.
3. The Investment Fund is not intended to replace the normal budget process or traditional methods for financing capital projects. For projects which involve long-term capital commitments, Investment Funds may be awarded to cover the initial three years of debt service while other sources of capital, such as philanthropy, are being secured.
4. Larger scale projects should minimize execution risk when possible through a phased or incremental approach. This could take the form of pilots, feasibility studies, etc. Once success is demonstrated, the requester may apply for consequent funding.
5. Schools and units are encouraged to collaborate and, where possible, identify areas of synergy that will yield incremental returns or efficiencies.
6. Proposals should strive to leverage external funds (philanthropy, federal grants, etc.) and internal school/departmental funds. Where grant request is for matching funds, the ideal match will be 2:1 (\$2 from other sources for every \$1 SIF award).