University Real Estate Lease Process and Approvals

Approval Sheet (Section A)

1. Upon identifying a need for leased space, a **College or Department** completes Section A of *Lease Approval Sheet* and requests approval from the **Provost** to lease space.

Approval Sheet (Section B)

2. The **Provost** must approve the request for leased space. (Section B of *Lease Approval Sheet*)

(If the Provost does not approve the request, then no further action will be taken centrally. The college or department may resubmit a request for leased space with additional information as requested by the Provost).

3. The **College or Department** submits the *Lease Approval Sheet* (now with Sections A and B completed) to **Campus Design and Facility Development (CDFD)**, ATTN: Director of University Planning.

4. A draft of the lease is sent to the university by the landlord. **CDFD** works with the **College or Department** and with the **Office of General Counsel** to negotiate lease terms and finalize a draft of the lease that is acceptable to both the landlord and Carnegie Mellon.

Lease (Landlord's Draft)

5. Once a revised draft of the lease has been negotiated with the landlord, **CDFD** submits the lease to the Carnegie Mellon offices listed below for their internal review and approval. Further lease revisions are made if necessary.

Lease (Revised Draft)

Approval Sheet (Sects. C-F)

6. Internal Review Process:

- **Controller's Office**: FASB Review to determine that the lease will be an operating lease and not a capital lease. (*Lease Approval Sheet* Section C)
- **Cost Analysis**: If applicable, approval of eligible sponsored projects funds (if sponsored project funds are intended to be used for lease-related costs); and review of SEI ACO approval (for SEI leases only). (*Lease Approval Sheet* Section D)
- **Risk Management**: Review of insurance provisions, including: liability, indemnification, and subrogation. (*Lease Approval Sheet* Section E)
- **Office of General Counsel**: Final review of all lease terms. (*Lease Approval Sheet* Section F)

Approval Sheet (Section G)

7. Once the internal review process is complete, **CDFD** submits the final lease document and the completed *Lease Approval Sheet* to the **Chief Financial Officer** for review and signature.

Lease (Final Version)

8. The signed lease is sent to the landlord for signature. A fully-executed copy of the lease is to be returned to the Director of University Planning in **CDFD** who will distribute copies to CMU offices and file the original.

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