

1. Title

Delegation to Act on Behalf of the Board

2. Rule and Regulation

Sec. 1 Identification of Significant Contracts or Documents. Institutional presidents and executive officers at U. T. System Administration are responsible for identifying contracts, agreements, and other documents that are of such significance to require the prior approval of the Board of Regents. Each such matter so identified shall be presented to the Board by the Chancellor as an agenda or docket item at a regular or special meeting of the Board.

Sec. 2 Compliance with Special Instructions. All authority to execute and deliver contracts, agreements, and other documents is subject to these *Rules and Regulations* and compliance with all applicable laws and special instructions or guidelines issued by the Chancellor, an Executive Vice Chancellor, or the Vice Chancellor and General Counsel. Special instructions or guidelines by the Chancellor, an Executive Vice Chancellor, or the Vice Chancellor and General Counsel may include without limitation instructions concerning reporting requirements; standard clauses or provisions; ratification or prior approval by the Board of Regents, or the appropriate Executive Vice Chancellor; review and approval by the Office of General Counsel; and recordkeeping.

Sec. 3 Contracts or Agreements Requiring Board Approval. The following contracts or agreements, including purchase orders or vouchers, must be approved by the Board.

3.1 Contracts Exceeding \$1 Million. All contracts or agreements, with a cost or monetary value to the U. T. System or any of the institutions of more than \$1 million, unless exempted in Section 4 below.

3.2 Contracts with Foreign Governments. Contracts or agreements of any kind or nature, regardless of dollar amount, with a foreign government or agencies thereof, except affiliation agreements and cooperative program agreements, material transfer agreements, sponsored research agreements and licenses, or other conveyances of intellectual property owned or controlled by the Board

of Regents prepared on an approved standard form or satisfying the requirements set by the Office of the General Counsel, or agreements or contracts necessary to protect the exchange of confidential information or nonbinding letters of intent or memorandums of understanding executed in advance of definitive agreements each as reviewed and approved by the Vice Chancellor and General Counsel.

- 3.3 Contracts with Certain Officers. Agreements, regardless of dollar amount, with the Chancellor, a president, a former Chancellor or president, an Executive Vice Chancellor, a Vice Chancellor, the General Counsel to the Board, or the Chief Audit Executive are subject to the applicable provisions of *Texas Education Code Section 51.948*.
- 3.4 Insurance Settlements.
- (a) Settlements in excess of \$1 million must have the approval of the Board.
- (b) Settlement claims from insurance on money and securities or fidelity bonds of up to \$1 million shall be approved by the Executive Vice Chancellor for Business Affairs.
- (c) If a loss is so extensive that partial payments in excess of \$1 million are necessary, the Chancellor is delegated authority to execute all documents related to the partial payment or adjustment. Final settlement of claims in excess of \$1 million will require approval by the Board.
- 3.5 Settlement of Disputes. Settlements of any claim, dispute or litigation for an amount greater than \$1 million require approval. The settlement may also be approved by the appropriate standing committee of the Board of Regents. The Vice Chancellor and General Counsel shall consult with the institution's president and appropriate Executive Vice Chancellor, or Vice Chancellor with regard to all settlements in excess of \$150,000 that will be paid out of institutional funds.

- Sec. 4 Contracts Not Requiring Board Approval. The following contracts or agreements, including purchase orders and vouchers, do not require prior approval by the Board of Regents regardless of the contract amount.
- 4.1 Construction Projects. Contracts, agreements, and documents relating to construction projects previously approved by the Board of Regents in the Capital Improvement Program and Capital Budget or Minor Projects.
 - 4.2 Construction Settlements. All settlement claims and disputes relating to construction projects to the extent funding for the project has been authorized.
 - 4.3 Intellectual Property. Legal documents, contracts, or grant proposals for sponsored research, including institutional support grants, and licenses or other conveyances of intellectual property owned or controlled by the Board of Regents as outlined in [Rule 90105](#) of these Rules.
 - 4.4 Replacements. Contracts or agreements for the purchase of replacement equipment or licensing of replacement software or services associated with the implementation of the software.
 - 4.5 Routine Supplies. Contracts or agreements for the purchase of routinely purchased supplies.
 - 4.6 Group Purchases. Purchases made under a group purchasing program that follow all applicable statutory and regulatory standards for procurement.
 - 4.7 Approved Budget Items. Purchases of new equipment or licensing of new software or services associated with the implementation of the software, identified specifically in the institutional budget approved by the Board of Regents.
 - 4.8 Loans. Loans of institutional funds to certified nonprofit health corporations, which loans have been approved as provided in The University of Texas System Administration Policy [UTS166, Cash Management and Cash Handling Policy](#) and The University of Texas

System Administration Policy [UTS167, Banking Services Policy](#) concerning deposits and loans.

- 4.9 Certain Employment Agreements. Agreements with administrators employed by the U. T. System or any of the institutions, so long as such agreements fully comply with the requirements of *Texas Education Code Section 51.948* including the requirement to make a finding that the agreement is in the best interest of the U. T. System or any of the institutions.
- 4.10 Energy Resources. Contracts or agreements for utility services or energy resources and related services, if any, which contracts or agreements have been approved in advance by the Chancellor or the Chancellor's delegate.
- 4.11 Library Materials. Contracts or agreements for the purchase or license of library books and library materials.
- 4.12 Athletic Employment Agreements. Contracts with athletic coaches and athletic directors except those with total annual compensation of \$250,000 or greater, as covered by Rule 20204.
- 4.13 Bowl Games. Contracts or agreements related to postseason bowl games, subject to a requirement that the contract or agreement has been submitted to the Executive Vice Chancellor for Academic Affairs and is in a form acceptable to the Vice Chancellor and General Counsel.
- 4.14 Property or Casualty Losses. Contracts or agreements with a cost or monetary value to the U. T. System or any of the institutions in excess of \$1 million but not exceeding \$10 million associated with or related to a property or casualty loss that is expected to exceed \$1 million may be approved, executed, and delivered by the Chancellor. The Chancellor shall consult with the institutional president, if applicable.
- 4.15 Health Operations. Contracts or agreements for the procurement of routine services or the purchase or lease of routine medical equipment, required for the operation or support of a hospital or medical clinic, if the services or equipment were competitively procured.

4.16 Increase in Board Approval Threshold. An institution's dollar threshold specified in Section 3.1 may be increased to up to \$5 million by the Vice Chancellor and General Counsel, after consultation with the General Counsel to the Board of Regents, if it is determined that the institution has the expertise to negotiate, review, and administer such contracts. Unless approved in advance by the Vice Chancellor and General Counsel, any increase will not apply to contracts or agreements designated as Special Procedure Contracts by the Vice Chancellor and General Counsel.

4.17 Group Employee Benefits. Contracts or agreements for uniform group employee benefits offered pursuant to [Chapter 1601](#), *Texas Insurance Code*.

Sec. 5 Signature Authority. The Board of Regents delegates to the Chancellor or the president of an institution authority to execute and deliver on behalf of the Board contracts and agreements of any kind or nature, including without limitation licenses issued to the Board or an institution. In addition to other primary delegates the Board assigns in the Regents' *Rules and Regulations*, the Board assigns the primary delegate for signature authority for the following types of contracts.

5.1 System Administration and Systemwide Contracts. The Board of Regents delegates to the Executive Vice Chancellor for Business Affairs authority to execute and deliver on behalf of the Board contracts or agreements:

(a) affecting only System Administration,

(b) binding two or more institutions of the U. T. System with the concurrence of the institutions bound, or

(c) having the potential to benefit more than one institution of the U. T. System so long as participation is initiated voluntarily by the institution.

5.2 Contracts Between or Among System Administration and Institutions. The Board of Regents delegates to the Executive Vice Chancellor for Business Affairs authority to execute on behalf of the Board contracts or agreements between or among System Administration

and institutions of the U. T. System for resources or services. Any such contract or agreement shall provide for the recovery of the cost of services and resources furnished.

- 5.3 Contracts with System Administration or Between or Among Institutions. The Board of Regents delegates to the president of an institution authority to execute on behalf of the Board contracts or agreements with System Administration or between or among institutions of the U. T. System for resources or services. Any such contract or agreement shall provide for the recovery of the cost of services and resources furnished.
- 5.4 Contracts for Legal Services and [Filing of Litigation](#). The Board of Regents delegates to the Vice Chancellor and General Counsel authority to execute and deliver on behalf of the Board contracts for legal services and such other services as may be necessary or desirable in connection with the settlement or litigation of a dispute or claim after obtaining approvals as may be required by law. Litigation to be instituted under these contracts on behalf of the Board, System Administration, or an institution of U. T. System must have the prior approval of the Vice Chancellor and General Counsel.
- 5.5 Settlements of Disputes. Except as provided in Section 5.6 below, the Board of Regents delegates to the Vice Chancellor and General Counsel authority to execute and deliver on behalf of the Board agreements settling any claim, dispute, or litigation. The Vice Chancellor and General Counsel shall consult with the institutional president and the appropriate Executive Vice Chancellor or Chancellor with regard to all settlements greater than \$150,000 that will be paid out of institutional funds. Settlements greater than \$1,000,000 will require the approval of the Board as outlined in Section 3.5 above. The Vice Chancellor and General Counsel shall consult with the Office of External Relations with respect to settlement of will contests and other matters relating to gifts and bequests administered by that Office.
- 5.6 Construction Settlements. The Board of Regents delegates authority to execute all documents necessary or desirable to settle claims and disputes relating to

construction projects to the System Administration or institution official designated in the construction contract to the extent funding for the project has been authorized.

5.7 Assurance of Authority to Act. The officer or employee executing any document on behalf of the Board of Regents shall be responsible for assuring that he or she has authority to act on behalf of the Board and that such authority is exercised in compliance with applicable conditions and restrictions. Documents executed on behalf of the Board pursuant to authority granted under these *Rules and Regulations* shall not require further certification or attestation.

Sec. 6 Delegation Process. The primary delegate identified in these *Rules and Regulations* or in an official Board action may further delegate his or her delegated authority to a secondary delegate unless otherwise specified. Any such further delegation of authority must be made in writing and the primary delegate shall permanently maintain, or cause to be maintained, evidence of all such delegations. A secondary delegate of the primary delegate may not further delegate such authority.

6.1 Delegate's Responsibilities. The primary delegate identified in these *Rules and Regulations* as authorized to execute and deliver on behalf of the Board of Regents various types of contracts, agreements, and documents shall maintain, or cause to be maintained, necessary and proper records with regard to all contracts, agreements, and documents executed and delivered pursuant to such delegated authority, in accordance with any applicable records retention schedule or policy adopted by the Board, the U. T. System Administration, or the institution.

Sec. 7 Actions of the Board as Trustee. Authority delegated by the Board of Regents in these *Rules and Regulations* includes actions that may be taken by the Board in its capacity as trustee of any trust to the extent such delegation is permitted by law.

Sec. 8 Power to Authorize Expenditures. No expenditure out of funds under control of the Board shall be made and no debt or obligation shall be incurred and no promise shall be made in the name of the System or any of the institutions or of the Board of Regents by any member of the respective staffs of the U. T. System or any of the institutions except:

- 8.1 In accordance with general or special budgetary apportionments authorized in advance by the Board of Regents and entered in its minutes; or
- 8.2 In accordance with authority specifically vested by the Board of Regents in a committee of the Board; or
- 8.3 In accordance with authority to act for the Board of Regents when it is not in session, specifically vested by these *Rules and Regulations* or by special action of the Board.

Sec. 9 Power to Establish Policies. No employee of the U. T. System or any of the institutions, as an individual or as a member of any association or agency, has the power to bind the System or any of the institutions unless such power has been officially conferred in advance by the Board of Regents. Any action which attempts to change the policies or otherwise bind the System or any of the institutions, taken by any individual or any association or agency, shall be of no effect whatsoever until the proposed action has been approved by the president of an institution concerned, if any, the appropriate Executive Vice Chancellor, and the Chancellor, and ratified by the Board.

Sec. 10 Exceptions. This Rule does not apply to any of the following:

- 10.1 UTIMCO. Management of assets by UTIMCO, which is governed by contract and the provisions of [Rule 70101](#), [70201](#), [70202](#), and [70401](#) of these *Rules and Regulations*.
- 10.2 Acceptance of Gifts. The acceptance, processing, or administration of gifts and bequests, which actions are governed by [Rule 60101](#), [60103](#), [70101](#), and [70301](#) of these *Rules and Regulations* and applicable policies of the Board of Regents.
- 10.3 Statutory. Any power, duty, or responsibility that the Board has no legal authority to delegate, including any action that the Texas Constitution requires be taken by the Board of Regents.

3. Definitions

Settlement - the amount of the settlement shall mean the amount that might be reasonably expected to be recoverable by the U. T. System or any of the institutions but not received pursuant to the settlement or, in the case of a claim against the U. T. System, the total settlement amount to be paid by the U. T. System.

Group Purchasing Program – for purposes of this Rule, a purchasing program established by (1) a state agency that is authorized by law to procure goods and services for other state agencies, such as the Texas Procurement and Support Services Division of the Texas Comptroller of Public Accounts and the Texas Department of Information Resources, or any successor agencies, respectively; or (2) a group purchasing organization in which the institution participates, such as Novation, Premier, Western States Contracting Alliance, and U.S. Communities Government Purchasing Alliance.

4. Relevant Federal and State Statutes

Texas Education Code [Section 51.928\(b\)](#) – Written Contracts or Agreements Between Certain Institutions

Texas Education Code [Section 51.948](#)– Restrictions on Contracts with Administrators

Texas Education Code [Section 65.31\(g\)](#) – Delegation by the Board

Texas Government Code [Section 618.001](#) – Uniform Facsimile Signature of Public Officials Act

Texas Government Code [Sections 669.001 - 669.004](#) – Restrictions on Certain Actions Involving Executive Head of State Agency

Texas Insurance Code, [Chapter 1601](#) – Uniform Insurance Benefits Act for Employees of The University of Texas System and The Texas A&M University System

5. Relevant System Policies, Procedures, and Forms

The University of Texas System Administration Policy [UTS166, Cash Management and Cash Handling Policy](#)

The University of Texas System Administration Policy [UTS167, Banking Services Policy](#)

Regents' *Rules and Regulations*, [Rule 20204](#) – Determining and Documenting the Reasonableness of Compensation

Regents' *Rules and Regulations*, [Rule 60101](#) – Acceptance and Administration of Gifts

Regents' *Rules and Regulations*, [Rule 60103](#) – Guidelines for Acceptance of Gifts of Real Property

Regents' *Rules and Regulations*, [Rule 70101](#) – Authority to Accept and Manage Assets

Regents' *Rules and Regulations*, [Rule 70201](#) – Investment Policies

Regents' *Rules and Regulations*, [Rule 70202](#) – Interest Rate Swap Policy

Regents' *Rules and Regulations*, [Rule 70401](#) – Oversight Responsibilities for UTIMCO

[Litigation Approval Request Form](#)

[Special Procedure Contracts](#)

6. Who Should Know

Administrators

7. System Administration Office(s) Responsible for Rule

Office of the Board of Regents

8. Dates Approved or Amended

August 20, 2009

Editorial amendment to add Subsection 4.17 (Group Employee Benefits) back into the Rules made August 6, 2009

Editorial amendment to Number 4 made January 5, 2009

November 13, 2008

May 15, 2008

Editorial amendment to Sec. 3.3 made March 17, 2008

Editorial amendment to Number 3 made January 28, 2008

May 10, 2007

February 8, 2007

May 12, 2005

December 10, 2004

9. Contact Information

Questions or comments regarding this rule should be directed to:

- bor@utsystem.edu