

RULES AND REGULATIONS  
OF THE  
BOARD OF REGENTS  
OF  
THE UNIVERSITY OF TEXAS SYSTEM  
FOR THE GOVERNMENT OF  
THE UNIVERSITY OF TEXAS SYSTEM

PART ONE

Reissued as of September 1, 1982  
(with Amendments to April 14, 1988)

Explanatory Statement

The Rules and Regulations contained in Parts One and Two are those which are adopted by the Board of Regents and which apply generally to the entire University of Texas System. They are to be known as the Regents' Rules and Regulations to distinguish them from each component institution's rules and regulations which are promulgated by the chief administrative officers of the component institutions and entitled Handbook of Operating Procedures for (name of institution).

These Rules and Regulations are published in loose-leaf form to facilitate their being kept current. "Official Copies" of the Regents' Rules and Regulations are designated by the "Official Copy" imprinted in red in the upper right corner of each page. Each page is also marked with the date of its issuance by the Office of the Board of Regents. Subsequent amendment pages will be issued by the Office of the Board of Regents to those authorized to have "Official Copies" and will be dated to coincide with the Regental approval of the amendment contained on that page.

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12/9/83

CHAPTER I

BOARD OF REGENTS

Sec. 1. Authority. The Legislature, which is given the duty and authority to provide for the maintenance, support, and direction of The University of Texas by Article VII, Section 10, of the Texas Constitution, has delegated the power and authority to administer The University of Texas System to the Board of Regents in broad terms. (See Sections 65.11 et. seq. Texas Education Code.) Texas cases construing these statutes have held that the Board of Regents has wide discretion in exercising its power and authority and that the rules adopted by the Board of Regents have the same force as statutes. Foley v. Benedict, 122 Tex. 193, 55 S.W. 2d 805 (1932); Rainey v. Malone, 141 S.W. 2d 713 (Tex.Civ.App., 1940, no writ history); Morris v. Nowotny, 323 S.W. 2d 301 (Tex.Civ.App., 1959, writ refused, n.r.e.; cer. den., 361 U.S. 889, 80 S.Ct. 164, 4 L.Ed. 2d 124). The System's lands and buildings are state property subject to the control of the Board of Regents as the state's agent. Splawn v. Woodard, 287 S.W. 677 (Tex.Civ.App., 1926, no writ history); Walsh v. University of Texas, 169 S.W. 2d 993 (Tex.Civ.App., 1942, writ refused).

*editorial  
amendment  
12/9/83*

Sec. 2. Composition.--The Board of Regents (hereinafter sometimes referred to as "Board") is composed of nine members appointed by the Governor, with the advice and consent of the Senate, for staggered terms of six years each, the terms of three members expiring on February 1 of odd-numbered years.

Sec. 3. Chairman of the Board.

3.1 Election of Chairman.--The Chairman of the Board shall be elected by the Board from its number, shall serve at the pleasure of the Board, and shall report and be responsible to the Board. In case of the death, resignation, disability, removal, or disqualification of the Chairman, the Board shall elect a successor Chairman as soon as practicable.

In no event shall a Board member serve as Chairman for more than 24 consecutive months without submitting his or her resignation as Chairman, but such member shall be eligible for re-election as Chairman.

- 3.2 Duties of the Chairman.--The duties and responsibilities of the Chairman shall include the following:
- 3.21 The Chairman shall preside over the meetings of the Board.
  - 3.22 The Chairman shall be authorized to call special meetings of the Board, as herein provided.
  - 3.23 Except for the Executive Committee, which shall be composed of the Chairman and the two Vice-Chairmen, the Chairman shall appoint the standing and special committees of the Board.
  - 3.24 The Chairman shall be an ex officio member of all committees of the Board.

Sec. 4. Vice-Chairmen of the Board. --Two Vice-Chairmen of the Board shall be elected by the Board from its number when the Chairman is elected and shall serve at the pleasure of the Board. At the election, the Board shall designate which Vice-Chairman shall assume the duties of Chairman in case of the absence, death, resignation, disability, removal, or disqualification of the Chairman. In case of the absence, death, resignation, disability, removal, or disqualification of the Chairman, the designated Vice-Chairman shall perform the duties of the Chairman until the Chairman shall resume his or her office or a successor Chairman shall have been elected as herein provided. In case of the absence, death, resignation, disability, removal, or disqualification of both the Chairman and the designated Vice-Chairman, the other Vice-Chairman shall perform the duties of Chairman

until the Chairman or designated Vice-Chairman shall resume his or her office or a successor Chairman shall have been elected as herein provided. Upon the death, resignation, disability, or removal of a Vice-Chairman, the Board shall elect a successor Vice-Chairman as soon as practicable.

Sec. 5. Officers in the Office of the Board of Regents.

- 5.1 Executive Secretary to the Board.--The Executive Secretary to the Board is the principal officer to the Board in the administration of the responsibilities of the Office of the Board of Regents and the principal staff officer to each member of the Board of Regents in the discharge of his or her responsibilities. In addition to the specific duties and responsibilities set forth in Section 5.3 of this Chapter the Executive Secretary to the Board shall advise and counsel with the Board regarding the design and implementation of policies and procedures by which the Board of Regents may more effectively fulfill its responsibilities regarding the governance and management of The University of Texas System.
- 5.2 Appointment.--At the meeting at which the Chairman and Vice-Chairmen of the Board are elected, the Board shall elect an Executive Secretary who is not a member of the Board and who shall receive such compensation and have such staff as may be fixed by the Board. The Executive Secretary shall report and be responsible to the Board. The Executive Secretary shall serve subject to the pleasure of the Board and may be removed by the Board at any time. Upon the death, resignation, disability, removal, or disqualification of the Executive Secretary, the Board shall elect a successor Executive Secretary as soon as practicable.
- 5.3 Duties and Functions.--The duties and functions of the Executive Secretary shall include the following:
- 5.31 The Executive Secretary shall supervise the Office of the Board of Regents.
- 5.32 Meetings.--The Executive Secretary shall make preparations, including regental travel

- arrangements, for all meetings of the Board and its committees.
- 5.33 The Agenda.--Under the direction of the Chairman of the Board or the Chairman of a standing committee, the Executive Secretary shall prepare and distribute the Agenda and necessary supporting documentation for all meetings of the Board and its committees.
- 5.34 Open Meetings Act.--Under the direction of the Chairman of the Board or the Chairman of a standing committee, the Executive Secretary shall post notices of all meetings, and the subject matter thereof as may be required under law.
- 5.35 Minutes.--The Executive Secretary shall record, prepare, and index the official Minutes of the Board and its committees and shall distribute copies thereof, including the annual budgets, to members of the Board and to other persons on the approved list. The official copy of the Minutes of the Board and its committees shall be kept in the Office of the Board of Regents, and certified excerpts from these Minutes shall be prepared by the Executive Secretary.
- 5.36 Documents.--The Executive Secretary shall keep on file in the Office of the Board of Regents all official documents, correspondence, and proceedings of the Board and its committees.
- 5.37 Seal.--The custody of the official seal of the System shall be with the Executive Secretary. The Executive Secretary shall affix such official seal to, and attest, all documents executed in the name of the Board and requiring attestation.
- 5.38 Rules and Regulations.--The Executive Secretary shall be charged with the responsibility of keeping current the Official Copies of the Regents' Rules and Regulations, and furnishing to members of the Board and the administrative officers on the approved list any changes or additions as soon as possible after the meeting at which they are finally adopted.

- 5.39 Reports.--As directed by the Board, the Executive Secretary shall:
- 5.391 define and establish routine reporting mechanisms, including;
    - 5.3911 determining the Board's information requirements;
    - 5.3912 structuring reporting procedures; and
    - 5.3913 gathering and summarizing reports and data for presentation to the Board on a routine basis; and
  - 5.392 prepare special reports, including;
    - 5.3921 requesting and gathering data from System Administration and component institutions;
    - 5.3922 conducting necessary analyses of data; and
    - 5.3923 summarizing facts and presenting reports for the Board's consideration.
- 5.3(10) Other Duties.-- In addition, the Executive Secretary shall perform such functions and have such other duties and responsibilities as may be assigned to the Executive Secretary to the Board or as are usual and customary to the position of Executive Secretary and which assist the members of the Board in the discharge of their official duties.
- 5.4 Assistant Secretary to the Board.
- 5.41 The Assistant Secretary to the Board shall be appointed by the Executive Secretary to the Board with the concurrence of the Board of Regents and shall have such duties and responsibilities as shall be delegated by the Executive Secretary to the Board.
  - 5.42 Upon the temporary absence of the Executive Secretary to the Board or upon the death, resignation, disability, or removal of the Executive Secretary to the Board, the Assistant Secretary to the Board will fulfill the duties of the Executive Secretary until such time as the Board shall elect a successor.

Sec. 6. Meetings of the Board and Standing Committees of the Board.

- 6.1 Regular Meetings of the Board.--Regular meetings of the Board shall be held at such times and places as the Board shall designate. Unless otherwise determined in advance by the Board, all regular meetings shall be held in Austin.
- 6.2 Special Meetings of the Board.--Special meetings of the Board shall be held upon the call of the Chairman, or upon the written request of three members of the Board. The Chairman shall cause written notification of the time, place, and purposes of any special meeting to be mailed to each member of the Board by the Executive Secretary at least three days before the time of the meeting.
- 6.3 Regular Meetings of Standing Committees.--Regular meetings of standing committees of the Board shall be held at such times and places as each standing committee shall designate. The Chairman of each standing committee shall coordinate the times and places of regular meetings through the Office of the Board of Regents in order to avoid conflicts due to overlap in membership. Unless otherwise determined in advance by the standing committee, all regular meetings shall be held in Austin.
- 6.4 Special Meetings of Standing Committees.--Special meetings of standing committees shall be held upon the call of the Chairman of the Committee, upon the call of the Chairman of the Board, or upon the written request of two members of the committee. The Chairman of the standing committee shall cause written notification of the time, place, and purposes of any special meeting to be mailed to each member of the Board by the Executive Secretary at least three days before the time of the meeting.
- 6.5 Official Business.--No business other than that placed on the Agenda and noticed as required by law shall be officially transacted at a meeting of the Board or its committees.

Sec. 7. Committee Structure.

7.1 Standing Committees.--The following committees shall be standing committees of the Board to consider policies for the government of all major areas:  
(a) Executive Committee; (b) Finance and Audit Committee; (c) Academic Affairs Committee; (d) Health Affairs Committee; (e) Buildings and Grounds Committee; (f) Land and Investment Committee.

7.11 Composition of Standing Committees; Appointment of Chairmen.--

7.111 The Executive Committee is composed of the Chairman and Vice-Chairmen of the Board. The Chairman of the Board is the Chairman of the Executive Committee.

*amended*  
8/13/87

7.112 Each standing committee, other than the Executive Committee, is composed of not less than three members of the Board appointed by the Chairman.

7.113 The Chairman of each standing committee (other than the Executive Committee) shall be appointed by the Chairman of the Board shortly after his or her election, by and with the consent of the Board, and shall remain as Chairman of the standing committee (unless a vacancy shall be caused by death, resignation, or refusal of some member of a committee to act) until the succeeding Board Chairman shall have reconstituted the committees.

7.12 Method of Filling Vacancies in the Chairmanship of Standing Committees.--In case a vacancy shall occur in the chairmanship of any of the standing committees, the Chairman of the Board shall appoint another member of the Board to serve as Chairman of the standing committee, by and with the consent of the Board, and, if

- confirmed, the appointment shall stand until the time for appointment of Chairmen of the standing committees as provided in Subdivision 7.113 of this chapter.
- 7.13 Authority of Standing Committees.--The authority of standing committees of the Board shall be subject to action of the whole Board and the committees' actions shall be referred to the Board before they shall become effective.
- 7.14 Duties of the Executive Committee.--The Executive Committee, after appropriate consultation with other members of the Board, shall act for the Board on emergency items that require immediate action between meetings of the Board; provided, at each Board meeting, the Executive Committee shall report, for ratification and approval, all actions taken by it since the last meeting of the Board.
- 7.15 Duties of the Finance and Audit Committee.--The Finance and Audit Committee shall:
- 7.151 Consider and make recommendations to the Board on all matters relating to the business and administrative management of The University of Texas System Administration and each component institution of the System.
- 7.152 Following consultation with the Academic Affairs Committee and the Health Affairs Committee consider and recommend to the Board the operating budgets of The University of Texas System Administration and each component institution of the System.
- 7.153 Following consultation with the Academic Affairs Committee and the Health Affairs Committee, consider and recommend to the Board biennial submissions of appropriation requests to the Legislative Budget Board and to the Governor as prepared by the Office of the

- Chancellor in accordance with Section 6 of Chapter II of Part Two of these Rules and Regulations.
- 7.154 Propose to the Board all appropriations of funds and all modifications of or additions to such appropriations.
- 7.155 Following consultation with the Academic Affairs Committee and the Health Affairs Committee, recommend to the Board matters which commit the University System or any component thereof to operating expenditures in future fiscal years.
- 7.156 Counsel with the Office of the Chancellor and recommend appropriate Board action with respect to any recommendations by the Chancellor related to the appointment, promotion, and dismissal of such System Administration Officers as report directly or indirectly to the Chancellor.
- 7.157 Recommend to the Board all administrative funds and compensation for the Office of the Chancellor and System Administration and the rates of professional compensation.
- 7.158 Consider and recommend to the Board matters related to all employee personnel programs, fringe benefits, retirement programs, and labor relations in the System Administration and the component institutions.
- 7.159 Obtain, review, and report to the Board on all State, System Administration, and institutional audit reports.
- 7.15(10) Exercise supervision over postauditing activities related to the conduct and administration of

the System and component institutions.

7.15(11) Transmit to the Chancellor, subject to the prior approval of the Board, such instructions as it deems necessary for the enforcement of sound accounting and auditing practices.

7.15(12) Initiate System Administration and institutional audits as deemed necessary to ensure management control within The University of Texas System. (In this regard, the Chairman of the Finance and Audit Committee shall have direct access to the person who occupies the position of chief auditor of the System.)

7.15(13) Consider and make recommendations to the Buildings and Grounds Committee concerning the availability of funds for, and application of funds to, capital improvement requests.

7.16 Duties of the Academic Affairs Committee.--The Academic Affairs Committee shall:

7.161 Consider and report to the Board on matters concerned with substantive aspects of policies and programs related to the academic philosophy and objectives of the general academic institutions; with University relations; and with general academic planning, instruction, and research.

7.162 Recommend to the board policies relating to soliciting and securing gifts and endowments for the University's general academic institutions and the acceptance, use, and allocation of such gifts and endowments including recommendations on appointments to professorships and chairs.

- 7.163 Consider and report to the Board on all matters affecting the libraries of the general academic institutions.
- 7.164 Recommend to the Finance and Audit Committee matters which commit the general academic institutions to operating expenditures in future years.
- 7.165 Consider and recommend to the Finance and Audit Committee the annual operating budgets of the general academic institutions, including rates of compensation.
- 7.166 Consider and recommend to the Finance and Audit Committee biennial submissions of appropriation requests to the Legislative Budget Board and to the Governor as prepared by the Office of the Chancellor in accordance with Section 6 of Chapter II of Part Two of these Rules and Regulations.
- 7.167 Counsel with the Office of the Chancellor and recommend to the Board approval of matters related to student affairs, fees and housing in the general academic institutions.
- 7.168 Counsel with the Office of the Chancellor and recommend to the Board approval of the appointment, promotion, and dismissal of such institutional officers as may be appropriate in the general academic institutions.
- 7.169 Consider and report to the Board on matters relating to the research, training, and community service activities at the general academic institutions.
- 7.16(10) Consider and recommend to the Board the acceptance and execution of grants and contracts for research, training, and community service at the general academic institutions.

- 7.16(11) Counsel with the Office of the Chancellor and recommend appropriate Board action with respect to any recommendations by the Executive Vice Chancellor for Academic Affairs related to the appointment, promotion, and dismissal of such System Administration Officers as report directly or indirectly to the Executive Vice Chancellor for Academic Affairs.
- 7.16(12) Consider and make recommendations to the Buildings and Grounds Committee concerning capital improvement requests as related to the approved missions of the general academic institutions.
- 7.17 Duties of the Health Affairs Committee.--The Health Affairs Committee shall:
- 7.171 Consider and report to the Board on matters concerned with substantive aspects of policies and programs related to the academic philosophy and objectives of the health-related institutions; with University relations; and with health-related academic planning, instructions, and research.
- 7.172 Recommend to the Finance and Audit Committee on matters which commit the health-related institutions to operating expenditures in future years.
- 7.173 Consider and recommend to the Finance and Audit Committee the annual operating budgets of the health-related institutions, including rates of compensation.
- 7.174 Consider and recommend to the Finance and Audit Committee biennial submissions of appropriation requests to the Legislative Budget Board and to the Governor as prepared by the Office of the Chancellor in accordance with

- Section 6 of Chapter II of Part Two of these Rules and Regulations.
- 7.175 Counsel with the Office of the Chancellor and recommend to the Board approval of matters relating to student affairs, fees and housing in the health-related institutions.
- 7.176 Counsel with the Office of the Chancellor and recommend to the Board the approval of the appointment, promotion, and dismissal of such institutional officers as may be appropriate in the health-related institutions.
- 7.177 Consider and report to the Board on matters relating to the research, training, and community service activities of the health-related institutions.
- 7.178 Consider and report to the Board on all matters affecting the libraries of the health-related institutions.
- 7.179 Consider and recommend to the Board the acceptance and execution of grants and contracts for research, training, and community service at the health-related institutions.
- 7.17(10) Recommend to the Board policies relating to soliciting and securing gifts and endowments for the University's health-related institutions and the acceptance, use, and allocation of such gifts and endowments including recommendations on appointments to professorships and chairs.
- 7.17(11) With respect to each Hospital owned by The University of Texas System:
- 7.17(11)1 Participate in the accreditation process for the Hospital;
  - 7.17(11)2 Review long-range plans for the Hospital;
  - 7.17(11)3 Review and make recommendations to the

- Board concerning the bylaws, rules and regulations of the medical staff of the Hospital;
- 7.17(11)4 Review and make recommendations to the Board concerning mechanisms and controls for the achievement and maintenance of high standards of professional practices in and at the Hospital; and
- 7.17(11)5 Hold regular meetings at the Hospital to review programs and problems.
- 7.17(12) Counsel with the Office of the Chancellor and recommend Board action with respect to any recommendations by the Executive Vice Chancellor for Health Affairs related to the appointment, promotion, and dismissal of such System Administration Officers as report directly or indirectly to the Executive Vice Chancellor for Health Affairs.
- 7.17(13) Consider and make recommendations to the Buildings and Grounds Committee concerning capital improvement requests as related to the approved missions of the health-related institutions.
- 7.18 Duties of the Buildings and Grounds Committee.--The Buildings and Grounds Committee shall:
- 7.181 Consider matters relating to the acquisition and use of the grounds and buildings of all campus and campus-related real property of The University of Texas System.
- 7.182 Recommend to the Board the award of contracts to consulting and other architects; approve plans and accept bids for construction projects.

- 7.183 Recommend to the Board the award and execution of construction and equipment contracts and approve progress reviews and beneficial occupancy of construction projects.
  - 7.184 Consider capital improvement requests and, with the prior approval of the Academic or Health Affairs Committee and the Finance and Audit Committee, make recommendations to the Board.
  - 7.185 Make recommendations to the Board with respect to the naming of University buildings, streets, roads, and other facilities including redesignation of existing facilities.
- 7.19 Duties of the Land and Investment Committee.-- The Land and Investment Committee shall:
- 7.191 Consider and make recommendations to the Board on all matters relating to the investment and investment properties of the Permanent University Fund and all trusts and special funds.
  - 7.192 Consider and make recommendations on all matters relating to management of the lands constituting the permanent endowment of the University.
  - 7.193 Consider and make recommendations on all matters relating to the acquisition, management, and sale of trust property and special funds, and the issuance of bonds.
  - 7.194 Recommend to the Board appointments and dismissals of members of the Investment Advisory Committee and of investment consultants and advisors.
  - 7.195 Periodically report to the Board on the investment operations of The University of Texas System.

7.196 Counsel with the Office of the Chancellor and recommend Board action with respect to any recommendations by the Chancellor related to the appointment, promotion, and dismissal of such System officers as are responsible for managing the lands and investments of the System or any component thereof.

7.2 Board for Lease of University Lands.--Pursuant to Section 66.62, Texas Education Code, two members of the Board shall be appointed by the Chairman of the Board, by and with the consent of the Board, to serve with one member of the Board of Regents of The Texas A&M University System selected by the Board of Regents of that System and the Commissioner of the General Land Office on the Board for Lease of University Lands, an agency of the State of Texas. A regent member may not be directly or indirectly employed by, or be an officer of or an attorney for, an oil or gas company. An officer, employee, or paid consultant of a trade association in the oil and gas industry may not be a member or employee of the Board, nor may a person who cohabits with or is the spouse of an officer, managerial employee, or paid consultant of a trade association in the oil and gas industry be a member of the Board or employee of the Board Grade 17 or over, including exempt employees, according to the position classification schedule under the General Appropriations Act. A person who is required to register as a lobbyist under Chapter 422, Acts of the 63rd Legislature, Regular Session, 1973 (Article 6252-9c, Vernon's Texas Civil Statutes), by virtue of his or her activities for compensation in or on behalf of a profession related to the operation of the Board, may not serve as a member of the Board or act as the general counsel to the Board. With the knowledge and direction of the Chancellor, the Board for Lease shall receive the assistance and cooperation of the Offices of Asset Management, Finance and Administration, and General Counsel.

*Amended  
10/11/85*

- 7.3 Special Committees.--The Chairman of the Board shall appoint such special committees of the Board as the Board may authorize.

Sec. 8. Procedure.

- 8.1 Rules of Order.-- Robert's Rules of Order, when not in conflict with any of the provisions of this chapter, shall be the rules of parliamentary procedure when the Board or any of its committees is in session.
- 8.2 Order of Business.--Customarily, the order of business at a regular meeting of the Board shall be as follows:
- 8.21 Correction and approval of Minutes of preceding meeting.
- 8.22 Consideration of items referred directly to the Board.
- 8.23 Consideration of approval of items contained in reports of standing committees.
- (a) Executive Committee
- (b) Finance and Audit Committee
- (c) Academic Affairs Committee
- (d) Health Affairs Committee
- (e) Buildings and Grounds Committee
- (f) Land and Investment Committee
- 8.24 Special Items:
- (a) Office of the Chancellor
- (b) Chief administrative officers of the component institutions
- (c) Members of the Board
- 8.25 Reports of special committees.
- 8.26 Executive Session of the Board.
- 8.3 Open and Closed Meetings.--Meetings of the Board shall be open to the press and the public, unless otherwise determined by the Board, in accordance with law.
- 8.4 Matters to be Referred to Committees.--The Chairman of the Board in consultation with the Executive Secretary to the Board and appropriate committee

*Pages I-17 thru I-25 resulted from  
page adjustments only & there were  
actual amendments to these pages*

chairmen shall make appropriate referrals to standing committees. On all matters for the consideration of the Board originating in the Office of the Chancellor, the Office of the Chancellor shall include a recommendation as to the standing committee to which the matter should be referred. Insofar as it is practicable, all subjects and matters requiring Board action shall be referred to the appropriate standing committee for consideration and recommendation before action is taken thereon by the Board.

8.5

Communications by and to the Board.

8.51 Members of the Board of Regents are to be permitted access to such personnel and information as in their individual judgements will enable them to fulfill their duties and responsibilities as Regents of The University of Texas System. It is the responsibility of each Regent to be knowledgeable in some detail regarding the operations, management, finances, and effectiveness of the academic, research, and public service programs of The University of Texas System, and members of the Board have the right and authority to inform themselves as to their duties, responsibilities and obligations in such a manner as they may deem proper. The regular channel of communication from members of the Board to the faculty, staff and administration is through the Office of the Chancellor and the chief administrative officer of the institution involved, and a copy of any communication sent by a Regent directly to any member of the faculty, staff or administration should be furnished to the Office of the Chancellor and the chief administrative officer of the institution involved; however, individual Board members are not precluded when they deem it necessary and proper from direct participation and communication with the

chief administrative officers, representatives, and personnel of The University of Texas System Administration and its component institutions, faculty members and other groups. All staff and faculty proposals that are to be acted upon by the Regents shall be presented to the Office of the Chancellor in sufficient time to permit that office to consider such proposals, make recommendations thereon, and transmit them to the Executive Secretary to the Board no later than seventeen days prior to the next meeting of the Board, in order that the calendar, agenda, and supporting material may be prepared in time to mail to the members of the Board so they will receive it at least five days prior to the meeting. Except where emergency proposals are involved, all such proposals not submitted to the Executive Secretary within the time prescribed shall not be considered by the Board but shall automatically be deferred until the next meeting of the Board.

- 8.52 Except upon invitation of the Board, the Chairman of the Board or the Office of the Chancellor, no person shall appear before the Board or any committee thereof unless that person files with the Executive Secretary to the Board a written request for such appearance at least ten days before the date of such appearance and unless the Chairman of the Board, or a majority of the whole Board, shall approve the request; provided, however, that the chief administrative officer, or his or her delegate, and/or the president of the students' association, or his delegate, of any component institution, without prior notice or request but subject to such time limitation as may be prescribed by the Chairman or a majority of the Board (or by the chairman or a majority of the committee), may appear before the Board or

- any committee thereof whenever the matter under consideration by the Board or committee directly affects the component institution represented by such chief administrative officer and/or student president. Whenever time and other circumstances permit, the president of the students' association, or his or her delegate, of such component institution, shall consult with the chief administrative officer, or his or her delegate, of such institution regarding said "matter under consideration" prior to the meeting of the Board or committee. Insofar as possible, any person who appears before the Board pursuant to the ten-day notice provision or without notice pursuant to the provisions of this paragraph shall provide a written statement of the substance of such person's presentation to the Board, and, insofar as possible, such written statement shall be delivered to the Executive Secretary to the Board in sufficient time for copies to be distributed to the Regents prior to the meeting.
- 8.53 All official material to be distributed to the Regents shall be transmitted through the Office of the Board. Copies of all official communications from administrative officers to the Regents shall be sent to the Executive Secretary. Communications from the Office of the Chancellor shall be exempt from this requirement but in such cases information copies shall be furnished to the Executive Secretary.
- 8.54 A docket, to be entitled "Docket No. \_\_\_ of the Office of the Chancellor," composed of routine matters arising from System Administration and the component institutions, which are required to be reported to and/or approved by the Board in accordance with established policies of the Board, shall be prepared as directed and approved by the Office of the Chancellor.

All docket items from the component institutions must be received in the Office of the Chancellor not less than twenty-one days prior to the next regular scheduled meeting for inclusion on the docket for that meeting. The Docket of the Office of the Chancellor shall be distributed by the Executive Secretary to all members of the Board ten days before the Board convenes, together with a ballot to be returned seven days thereafter. The ballot will read: "Approved, except as to the following items;" with space provided for listing the excepted items. All items not excepted by any Regent will be approved by the Board at its next meeting, without detailed consideration. Any excepted item listed by any Regent will be deferred and will be processed through the appropriate standing committee for consideration at the first regular meeting of the Board following action of the item by the appropriate standing committee.

8.55 Except for communications from the Office of the Chancellor and the Executive Secretary to the Board, all communications to the Board from members of the faculty and staff should be in writing. The regular channel of communication from the faculty, staff, and administration to the Board is through the chief administrative officer of the institution involved and the Office of the Chancellor. A copy of any communication sent directly to a Board member should be furnished to the Office of the Chancellor and to the chief administrative officer of the institution involved. A description of all matters to be considered by the Board or a standing committee of the Board at any meeting shall be mailed or delivered to each member of the Board or to each member of the appropriate standing committee of the Board and to the Office of the Chancellor at least

five days in advance of the meeting at which they are to be considered, and insofar as possible, such material shall be mailed or delivered to each member of the Board or to each member of the appropriate standing committee of the Board and the Office of the Chancellor at least ten days in advance of the meeting. Each such matter shall be accompanied by a summary of the facts pertaining thereto, the need for action thereon, and the recommendations of the Office of the Chancellor. Where contractual awards are involved, the summary shall show the method of competition, if any, the names and offers of all interested parties, and generally sufficient information to show the reasons for and fairness of each transaction. The recommendations of the Office of the Chancellor shall state whether or not they are fully concurred in by any chief administrative officer involved, and if not, the views and recommendations of the chief administrative officer shall be included. Any matter not sent to the members of the Board or the members of a standing committee of the Board, documented as herein provided, at least five days in advance of the meeting at which it is to be considered, shall go over to the next meeting for consideration; provided, however that if sufficient emergency exists requiring immediate action and it appears that the delay was unavoidable, this requirement may be waived by a two-thirds vote of the Board or a standing committee of the Board.

- 8.6 Report to Press on Actions of Board.--Matters of public interest will be given as promptly as possible after each meeting to the press. These press reports shall be under the direction of the Chairman of the Board, the Chancellor or their designated representative.

- 8.7 Political and Otherwise Obviously Controversial Matters.--The Board reserves to itself the responsibility for passing upon matters of a political or obviously controversial nature which represent an official position of the System or any institution or department thereof. Statements on such matters shall be made by the Chairman of the Board or the Chancellor. Without the advance approval of the Board, no Regent, officer, or faculty or staff member shall make or issue any public statement on any political or other subject of an obviously controversial nature which might reasonably be construed as a statement of the official position of the System or any institution or department thereof. It is not the intent of this policy statement to stifle the right of freedom of speech of anyone speaking in a personal capacity where that person makes it clear that he or she is not speaking for the System or any of its component institutions. Statements on matters of an emergency nature shall be cleared by the Chancellor with the Chairman of the Board.

Sec. 9. Executive Associate for Economic Affairs.

- 9.1 The Executive Associate for Economic Affairs is elected by the Board, serves at the pleasure of the Board, reports to and is responsible to the Board, and receives such compensation as may be fixed by the Board.
- 9.2 Duties.--The Executive Associate on a continuing basis conceives and develops long-range plans and studies with respect to the development and management of economic affairs of the component institutions, and upon request, consults and advises with the Board and the Executive Vice Chancellor for Asset Management regarding plans and studies and shall have such other duties and responsibilities as may be directed by the Board.

*editorial  
1/88*

Editorial Amendment  
Issued January 1988

Sec. 10. Signature Authority for Documents Executed on Behalf of the Board.

*Amended  
12/3/87*

- 10.1 Except as may be otherwise provided in these Rules and Regulations or in the resolution or order of the Board with respect to the approval of a specific document or with respect to the approval of a program or project requiring the execution of one or more documents, the Chairman of the Board, the Designated Vice-Chairman of the Board, the Chancellor or his or her designee, or the appropriate Executive Vice Chancellor may sign on behalf of the Board:
- 10.11 all contracts, agreements, leases, conveyances, deeds, easements, rights-of-way, bonds, licenses, or permits and all amendments, extensions or renewals of same that have been approved, authorized or granted by the Board as an item on the Agenda of the Board at a regular or special meeting;
- 10.12 applications for permits or licenses to be issued to the Board or a component institution that have been approved or authorized by the Board;
- 10.13 renewals of permits or licenses issued to the Board or a component institution that are renewable without change in the terms or conditions thereof where the original application for such permit or license was made pursuant to the approval or authorization of the Board and such approval or authorization has not been withdrawn.
- 10.2 The provisions of this Section shall not apply to documents submitted for the review and approval of the Board pursuant to the provisions of Subsection 8.54 of Section 8, Chapter I, Part One of these Rules and Regulations.
- 10.3 All documents executed on behalf of the Board pursuant to this Section other than renewals of permits or licenses executed pursuant to Section 10.13, shall have affixed thereto a certification by the Executive Secretary to the Board attesting to the action of the Board approving such document and setting forth the date of such approval.

CHAPTER II

ADMINISTRATION

Sec. 1. General Provisions.

1.1 Administration.

The "System Administration" is the administration of The University of Texas System.

1.2 The University of Texas System.

The University of Texas System (herein sometimes called the "System") is composed of the System Administration and those institutions assigned by the Constitution or by the Legislature to be governed by the Board of Regents of The University of Texas System.

1.3 Location. The System Administration shall be based at Austin, to benefit from the proximity of state agencies and to take advantage of economies made possible by sharing use of personnel and facilities with The University of Texas at Austin. System Administration officers shall travel to the other component institutions as their administrative responsibilities require.

Sec. 2. Office of the Chancellor--Delegation of Authority/Line Responsibility.

2.1 Board's Exercise of Authority.

The Office of the Chancellor is the office through which the Board of Regents exercises its powers and authorities in the governance of The University of Texas System.

2.2 Composition.

The Office of the Chancellor consists of the Chancellor, the Executive Vice Chancellor for Academic Affairs, the Executive Vice Chancellor for Asset Management, the Executive Vice Chancellor for Health Affairs and such direct supporting staffs for these officers as may be required and provided for in the annual operating budget and amendments thereto. The Chancellor shall coordinate consultation among the principal officers of the Office of the Chancellor.

2.3 Chancellor/Chief Executive Officer.

The Chancellor is the chief executive officer of the System and directly reports to and is responsible to

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the Board. He has direct line responsibility for all aspects of the U. T. System's operations. In addition, he has first line supervisory responsibility for the governmental relations and audit functions of the System and provides day-to-day supervision for the holders of the following positions who directly report to the Office of the Chancellor: the Executive Director for Finance and Administration; the Vice Chancellor and General Counsel; the Vice Chancellor for Governmental Relations; the Director of Development; the Director of the Office of Facilities Planning and Construction; and the Director of Public Information.

2.4 Executive Vice Chancellor for Academic Affairs/Chief Operating Officer.

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The Executive Vice Chancellor for Academic Affairs is the chief operating officer of the System for Academic Affairs and, in consultation with the Chancellor, directly reports to and is responsible to the Board for the conduct of the academic affairs of the System. The chief administrative officers of the general academic institutions in the System, acting in a line capacity for the operation of their institutions, report to and are responsible to the Executive Vice Chancellor for Academic Affairs.

2.5 Executive Vice Chancellor for Asset Management/Chief Operating Officer. The Executive Vice Chancellor for Asset Management is the chief operating officer of the System for management of the assets of the U. T. System and, in consultation with the Chancellor, directly reports to and is responsible to the Board for conduct of the asset management programs of the U. T. System. The Manager of University Lands - Oil, Gas and Mineral Interests, the Manager of University Lands - Surface Interests, the Executive Director for Investments and Trusts, and the Director of the University Lands Accounting Office, acting in a line capacity for the operation of their functions, report to and are responsible to the Executive Vice Chancellor for Asset Management.

2.6 Executive Vice Chancellor for Health Affairs/Chief Operating Officer.

The Executive Vice Chancellor for Health Affairs is the chief operating officer of the System for health-related education and health services in the System and, in consultation with the Chancellor, directly reports to and is responsible to the Board for the conduct of health-related education and the delivery of health services in the System. The chief administrative officer of each health-related institution

in the System, acting in a line capacity for the operation of such officer's institution, reports to and is responsible to the Executive Vice Chancellor for Health Affairs.

Sec. 3. Administrative Officers of the System.

- 3.1 Executive Director for Finance and Administration.  
The Executive Director for Finance and Administration is an administrative officer of the System. He reports to the Office of the Chancellor under the day-to-day supervision of the Chancellor. He is responsible for the supervision of those areas of responsibility and those offices assigned to him in Section 7.1 of this Chapter. He provides staff assistance to the Chancellor and the Executive Vice Chancellors in the exercise of their responsibilities.
- 3.2 Vice Chancellor and General Counsel.  
The Vice Chancellor and General Counsel is an administrative officer of the System. He reports to the Office of the Chancellor under the day-to-day supervision of the Chancellor. He is responsible for the provision of legal services to the System as set out in Section 7.2 of this Chapter. He provides staff assistance to the Chancellor and the Executive Vice Chancellors in the exercise of their responsibilities.
- 3.3 Vice Chancellor for Governmental Relations.  
The Vice Chancellor for Governmental Relations is an administrative officer of the System. Working under established procedures that insure effective coordination with the Executive Vice Chancellors, he reports to the Chancellor. He is responsible for coordinating the effective representation of the System in the area of governmental affairs as set out in Section 8.1 of this Chapter. He provides staff assistance to the Chancellor and the Executive Vice Chancellors in the exercise of their responsibilities.
- 3.4 Executive Director (Office of the Chancellor).  
The Executive Director (Office of the Chancellor) is an administrative officer of the System. He is the chief staff assistant in the Office of the Chancellor and as assigned or requested assists the Chancellor and the Executive Vice Chancellors in the administration of the Office of the Chancellor. Specific duties of the holder of this position are set out in Section 7.3 of this Chapter.
- 3.5 Director of Development.  
The Director of Development is an administrative officer of the System. He reports to the Office of

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amendment*

the Chancellor under the day-to-day supervision of the Chancellor. He is responsible for coordinating development activities in the System. He provides staff assistance to the Chancellor and the Executive Vice Chancellors in the exercise of their responsibilities.

Sec. 4. Appointment and Tenure of Officers.

4.1 Chief Executive and Chief Operating Officers. The Chancellor, the Executive Vice Chancellor for Academic Affairs, the Executive Vice Chancellor for Asset Management, and the Executive Vice Chancellor for Health Affairs, shall be elected by the affirmative vote of a majority of the Regents in office and shall hold office without fixed term, subject to the pleasure of the Board.

4.2 Administrative Officers of the System. The administrative officers of the System shall be appointed by the Board after nomination by the Office of the Chancellor. Officers so appointed shall not have tenure by virtue of their respective offices. They shall hold office without fixed term, subject to the pleasure of the Office of the Chancellor. Their actions concerning such officers are in turn subject to review and approval by the Board.

4.3 Honorary Titles. The titles Chancellor Emeritus, President Emeritus and similar honorary designations shall be conferred only by appropriate action of the Board on individuals who are fully retired. No person is authorized to use any such title unless it has been bestowed by the Board.

Sec. 5. General Purview and Duties of the Office of the Chancellor.

The Office of the Chancellor, by delegation from the Board, is authorized to exercise the powers and authorities of the Board in the governance of the System. The Office of the Chancellor will normally act through the chief administrative officer regarding the affairs of a component institution. The Office of the Chancellor, however, shall not be precluded from any direct participation and communication with institutional staff, faculty members, and groups. The major duties of the Office of the Chancellor include:

5.1 Advising and counseling with the Board with respect to the policies, purposes, and goals of the System; acting as executive agent of the Board in implementing its policies; representing the System in all other

respects as deemed appropriate to carry out such policies, purposes and goals, and interpreting and articulating the System's academic, administrative and developmental policies, programs, needs and concerns to the general public and to other constituencies at the community, state, regional and national levels.

- 5.2 Directing the management and administration of System Administration and all component institutions of the System.
- 5.3 Presenting to the appropriate standing committees of the Board and to the Board nominations for all officers of the System, and for all officers of component institutions as provided in these Rules and Regulations.
- 5.4 Periodically reviewing the organization of the System Administration and the component institutions of the System and reporting to the appropriate standing committees of the Board and to the Board recommendations for changes in organization, assignments and procedures.
- 5.5 Preparing and approving appropriate recommendations to the Board and its standing committees either in the name of "The Office of the Chancellor" or as "The Office of the Chancellor concurs ..." with the recommendation of the appropriate chief administrative officer of a component institution.
- 5.6 Preparing and approving annual operating budgets for the System Administration and the component institutions of the System and submitting such recommendations to the Board.
- 5.7 Preparing and approving biennial legislative submissions to the Legislative Budget Board and to the Governor for the System Administration and the component institutions of the System for the consideration of the Board in accordance with Section 6 of Chapter II of Part Two of these Rules and Regulations.
- 5.8 Developing and implementing programs for the most efficient management of personnel resources, and for long-range planning for academic programs, physical facilities and financial resources.

Dec. 13, 1984

Sec. 6. Primary Duties of the Chief Operating Officers in the Office of the Chancellor.

- 6.1 The Executive Vice Chancellor for Academic Affairs.--  
The Executive Vice Chancellor for Academic Affairs shall have as a prime responsibility the maintenance of high academic quality in the general academic components of the System. Through the chief administrative officers of the component institutions, he or she shall have direct line responsibility for the budgets, academic planning and programs, facilities programs, facilities planning and construction, and personnel (both academic and nonacademic) of those components. In consultation with the Chancellor, the Executive Vice Chancellor for Academic Affairs shall prepare recommendations and supporting information on such matters for consideration by the appropriate standing committees of the Board and the Board of Regents.
- 6.2 The Executive Vice Chancellor for Asset Management.--  
The Executive Vice Chancellor for Asset Management has direct responsibility for lands management (including management of trust lands, endowment lands, and management of the Permanent University Fund lands); investments and trusts (including investment and management of trusts, trust assets, and endowments) and management of the investment of the Permanent University Fund. He has as a prime responsibility the management of the lands, trusts, endowments, and other such funds of the System in such a manner as to maximize the monies available for excellence in all activities of the System. Through the Office of the Chancellor, he shall prepare recommendations and supporting information on all such operations for consideration by the appropriate standing committees of the Board of Regents.
- 6.3 The Executive Vice Chancellor for Health Affairs.--The Executive Vice Chancellor for Health Affairs shall have as a prime responsibility the maintenance of high academic quality in the health-related teaching institutions and high quality health services in the health-care delivery institutions of the System. Through the chief administrative officers of the component institutions, he or she shall have direct line responsibility for the budgets, academic planning and programs, facilities planning and construction, and personnel (both academic and nonacademic) of those components. In consultation with the Chancellor, the Executive Vice Chancellor for Health Affairs shall prepare recommendations and supporting information on such matters for consideration by the appropriate standing committees of the Board and the Board of Regents.

Sec. 7. Duties of Certain Administrative Officers of the System.

- 7.1 Executive Director for Finance and Administration.  
The Executive Director for Finance and Administration reports to the Office of the Chancellor under the day-to-day supervision of the Chancellor. His primary responsibilities include:
- 7.11 The provision of staff assistance to the Chancellor and the Executive Vice Chancellors in the execution of their responsibilities.
  - 7.12 Submitting recommendations to the Office of the Chancellor and to the appropriate Executive Vice Chancellor on business operations of the components of the System.
  - 7.13 Reviewing and making recommendations on uniform business systems and management.
  - 7.14 Submitting recommendations relating to programs for the most efficient management of personnel and resources.
  - 7.15 Submitting recommendations for program development for training of personnel in nonacademic areas.
  - 7.16 Reviewing and making recommendations on programs of long-range planning for physical facilities and financial resources.
  - 7.17 Reviewing and making recommendations relating to police and security matters within the System.
  - 7.18 Coordinating the business affairs of the System with other officers and members of the System Administration staff.
  - 7.19 In consultation with the appropriate Executive Vice Chancellor, coordinating the activities of business administrative operations of the component institutions.
  - 7.1(10) Managing the operations of the offices of Budget, Comptroller, System Personnel, Police, and Special Services.
  - 7.1(11) Supervising and coordinating the acquisition of all real property at the component institutions.
  - 7.1(12) Directing the management of the purchasing, accounting, equipment inventories, and vouchering operations for the offices of the System Administration and coordinating the building services for the System buildings.
  - 7.1(13) Directing the management of the System-wide insurance programs (except the System Plan for Professional Medical Malpractice Self-Insurance), including approval of all

policies and coverages, such programs to include:

Fire and Extended Coverage;  
Liability;  
Health;  
Life;  
Accidental Death and Dismemberment;  
Income Replacement; and  
Retirement.

7.1(14) Performing such other duties as may be assigned by the Office of the Chancellor.

7.2 Vice Chancellor and General Counsel.

The Vice Chancellor and General Counsel reports to the Office of the Chancellor under the day-to-day supervision of the Chancellor. His primary responsibilities include:

- 7.21 The provision of staff assistance to the Chancellor and the Executive Vice Chancellors in the execution of their responsibilities.
- 7.22 Providing all legal services required by the System and its personnel to insure the proper protection and advancement of the System's interests.
- 7.23 Maintaining the supervision, and delivery of legal services at a high level of effectiveness.
- 7.24 Directing and managing all legal personnel and legal affairs of the System, its units and its component institutions.
- 7.25 Providing advice, counsel and legal interpretations to System officials and personnel concerning legal matters affecting System operations.
- 7.26 Directing the Office of Vice Chancellor and General Counsel personnel with respect to work priorities and assignments, standards of performance, and career development, delegating to staff members responsibility for particular legal and administrative tasks; and coordinating and controlling budget and personnel levels.
- 7.27 Directing and managing (within applicable limits of authority) all litigation and administrative agency hearings; authorizing and approving the institution of legal proceedings; evaluating, directing and approving action and procedures relative to prosecution or defense of pending litigation and administrative proceedings; employing outside counsel; and authorizing and

- 7.28 approving settlement or appeal of litigation. Advising, counseling, and disseminating information to affected System units relative to the nature, evaluation, progress, and results of litigation, administrative proceedings, and other legal matters, and making recommendations to System officials and other personnel as to future operations and objectives.
- 7.29 Approving as to form all contracts and agreements and all amendments to the Regents' Rules and Regulations; and approving as to form all institutional Handbooks of Operating Procedures, whether finally approved or not, and all amendments to such Handbooks.
- 7.2(10) Drafting all legislation that has been approved by the Board or requested by any System officer for submission to the Board for approval and providing legal counsel on pending legislation.
- 7.2(11) Identifying and evaluating administrative and functional problems and directing or recommending, as appropriate, courses of action for solution.
- 7.2(12) Representing the System before legal, educational and governmental groups and associations.
- 7.2(13) Acting as administrator of the System Plan for Professional Medical Malpractice Self-Insurance and the System Intellectual Property Offices.
- 7.2(14) Working in cooperation with the Attorney General of the State of Texas, State Agency legal counsel and outside counsel.
- 7.2(15) Assuming responsibility for any other legal, administrative or operational matters delegated by the Office of the Chancellor.

*editorially  
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4/10/86*

7.3 Duties of the Executive Director (Office of the Chancellor).

The Executive Director (Office of the Chancellor) is the chief staff assistant in the Office of the Chancellor and as assigned or requested assists the Chancellor and the Executive Vice Chancellors in administration of the Office of the Chancellor. The holder of this position serves simultaneously as Executive Assistant to the Chancellor. Specific duties include the following:

- 7.31 Facilitating routine communication and coordinating paper flow among the Chancellor and the Executive Vice Chancellors.
- 7.32 Providing day-to-day liaison for the Office of the Chancellor with the Office of the Board of Regents.

- 7.28 approving settlement or appeal of litigation. Advising, counseling, and disseminating information to affected System units relative to the nature, evaluation, progress, and results of litigation, administrative proceedings, and other legal matters, and making recommendations to System officials and other personnel as to future operations and objectives.
- 7.29 Approving as to form all contracts and agreements and all amendments to the Regents' Rules and Regulations; and approving as to form all institutional Handbooks of Operating Procedures, whether finally approved or not, and all amendments to such Handbooks.
- 7.2(10) Drafting all legislation that has been approved by the Board or requested by any System officer for submission to the Board for approval and providing legal counsel on pending legislation.
- 7.2(11) Identifying and evaluating administrative and functional problems and directing or recommending, as appropriate, courses of action for solution.
- 7.2(12) Representing the System before legal, educational and governmental groups and associations.
- 7.2(13) Acting as administrator of the System Plan for Professional Medical Malpractice Self-Insurance and the System Patent and Trademark Offices.
- 7.2(14) Working in cooperation with the Attorney General of the State of Texas, State Agency legal counsel and outside counsel.
- 7.2(15) Assuming responsibility for any other legal, administrative or operational matters delegated by the Office of the Chancellor.

7.3 Duties of the Executive Director (Office of the Chancellor).

The Executive Director (Office of the Chancellor) is the chief staff assistant in the Office of the Chancellor and as assigned or requested assists the Chancellor and the Executive Vice Chancellors in administration of the Office of the Chancellor. The holder of this position serves simultaneously as Executive Assistant to the Chancellor. Specific duties include the following:

- 7.31 Facilitating routine communication and coordinating paper flow among the Chancellor and the Executive Vice Chancellors.
- 7.32 Providing day-to-day liaison for the Office of the Chancellor with the Office of the Board of Regents.

- 7.33 Coordinating the submission of agenda items from the Office of the Chancellor for consideration by the Board or by the standing committees of the Board.
  - 7.34 Coordinating the internal administrative procedures of the Office of the Chancellor.
  - 7.35 Providing staff support when requested by the Executive Vice Chancellors in their review of the management of component institutions.
  - 7.36 Assisting the Chancellor as directed on specific projects in connection with the Chancellor's responsibilities.
  - 7.37 Coordinating the preparation of the agenda for the meetings of the System Council at the direction of the Chancellor and the Executive Vice Chancellors.
  - 7.38 Advising and consulting with the Chancellor, the Executive Vice Chancellors and Chief Administrative Officers or Chief Student Affairs Officers of U.T. component institutions on organization and management of student services and programs.
  - 7.39 Performing such other duties and responsibilities as may be directed by the Chancellor and the Executive Vice Chancellors.
- 7.4 Director of Development. The Director of Development reports to the Office of the Chancellor under the day-to-day supervision of the Chancellor. His primary responsibilities include:
- 7.41 The provision of staff assistance to the Chancellor and the Executive Vice Chancellors in the execution of their responsibilities.
  - 7.42 Acting under the authority delegated by the Office of the Chancellor for private fund development for the System.
  - 7.43 Coordinating policies and activities involving internal foundations and University-related external foundations.
  - 7.44 Coordinating and cooperating with the chief administrative officers of the component institutions in development programs.
  - 7.45 Coordinating efforts of component institution officials to create a favorable climate for philanthropic support among various constituencies, including alumni, foundations, business and industry, associations, parents of students, friends and benefactors.
  - 7.46 Advising component institution administrative officials, deans, and directors on projects involving private gift support, suggesting possible granting agencies or benefactors,

- and assisting when needed in the preparation of grant proposals and their presentation.
- 7.47 Administering procedures for the preparation of gift records, gift processing, gift acknowledgments, and gift dockets for the Board.
- 7.48 Performing such other duties and responsibilities as may be assigned by the Office of the Chancellor.

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4/10/86* }

Sec. 8. Certain Offices Reporting Directly to the Chancellor.

- 8.1 Duties of the Vice Chancellor for Governmental Relations.  
Working under established procedures that insure effective coordination with the Executive Vice Chancellors, the Vice Chancellor for Governmental Relations reports to the Chancellor. His primary responsibilities include:
- 8.11 The provision of staff assistance to the Chancellor and the Executive Vice Chancellors in the execution of their responsibilities.
- 8.12 Representing the System in its relations with federal, state, and local legislative bodies and agencies.
- 8.13 Making recommendations to the Office of the Chancellor in the area of public policy as it affects the relationship of the System with the federal, state, and local governments.
- 8.14 Informing appropriate administrative officers of current operations and long-range developments on the federal and state level, which may affect the System.
- 8.15 Maintaining and distributing information to, and advising appropriate System Administration and component institution officials, in order to assure proper action by the System with respect to federal, state, and local governmental programs and activities.
- 8.16 Defining the job responsibilities, the assignment of duties, and supervising staff members employed in or assigned to work in the governmental affairs area.
- 8.17 Performing such other duties and responsibilities for the efficient operation of the System as shall be assigned by the Chancellor.
- 8.2 Audit.  
The Chancellor, as Chief Executive Officer of the System, is responsible for insuring the implementation of appropriate audit and postaudit procedures for the

- 7.47 and assisting when needed in the preparation of grant proposals and their presentation. Administering procedures for the preparation of gift records, gift processing, gift acknowledgments, and gift dockets for the Board.
- 7.48 Coordinating the activities and functions of the Office of Public Information.
- 7.49 Performing such other duties and responsibilities as may be assigned by the Office of the Chancellor.

Sec. 8. Certain Offices Reporting Directly to the Chancellor.

8.1 Duties of the Vice Chancellor for Governmental Relations.

Working under established procedures that insure effective coordination with the Executive Vice Chancellors, the Vice Chancellor for Governmental Relations reports to the Chancellor. His primary responsibilities include:

- 8.11 The provision of staff assistance to the Chancellor and the Executive Vice Chancellors in the execution of their responsibilities.
- 8.12 Representing the System in its relations with federal, state, and local legislative bodies and agencies.
- 8.13 Making recommendations to the Office of the Chancellor in the area of public policy as it affects the relationship of the System with the federal, state, and local governments.
- 8.14 Informing appropriate administrative officers of current operations and long-range developments on the federal and state level, which may affect the System.
- 8.15 Maintaining and distributing information to, and advising appropriate System Administration and component institution officials, in order to assure proper action by the System with respect to federal, state, and local governmental programs and activities.
- 8.16 Defining the job responsibilities, the assignment of duties, and supervising staff members employed in or assigned to work in the governmental affairs area.
- 8.17 Performing such other duties and responsibilities for the efficient operation of the System as shall be assigned by the Chancellor.

8.2 Audit.

The Chancellor, as Chief Executive Officer of the System, is responsible for insuring the implementation of appropriate audit and postaudit procedures for the

System and System Administration. Accordingly, with regard to his audit functions (see Section 10 of this Chapter), the Comptroller reports directly to the Chancellor.

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System and System Administration. Accordingly, with regard to his audit functions (see Section 10 of this Chapter), the Comptroller reports directly to the Chancellor.

8.3

Duties of the Director of Public Affairs. Working under established procedures that insure effective coordination with the Executive Vice Chancellors, and the Vice Chancellors, the Director of Public Affairs reports to the Chancellor. His primary responsibilities include:

- 8.31 The provision of staff assistance to the Chancellor, the Executive Vice Chancellors, and the Vice Chancellors in the execution of their responsibilities.
- 8.32 Communicating the activities of the Board and System Administration.
- 8.33 Coordinating news releases and other public information emanating from the component institutions, which releases and information involve the Board and System Administration.
- 8.34 Developing a format for the presentation of information about System institutions and activities to the general public.
- 8.35 Making recommendations to the Chancellor and the appropriate Executive Vice Chancellor regarding budget requests and staffing requirements for the public information services of the component institutions.
- 8.36 Defining the job responsibilities, the assignment of duties, and supervising staff members employed in or assigned to work in the area of Public Information.
- 8.37 Performing such other duties and responsibilities for the efficient operation of the System as shall be assigned by the Chancellor.

*Added  
4/10/86*

System and System Administration. Accordingly, with regard to his audit functions (see Section 10 of this Chapter), the Comptroller reports directly to the Chancellor.

Sec. 9. Asset Management.

9.1 Lands Management.

9.11 The Executive Vice Chancellor for Asset Management provides direction and management for all transactions relative to Permanent University Fund lands (hereinafter sometimes referred to as "University Lands"), trust lands, and other noncampus real estate interests owned or controlled by the Board of Regents. In the exercise of those responsibilities, he:

- 9.111 Works closely with the Board for Lease of University Lands in the discharge of its duties and responsibilities.
- 9.112 Works closely with the chief administrative officer of a component institution of the System and his delegates with regard to the management of trust lands and other noncampus real estate interests held by the Board of Regents for and on behalf of a particular institution.
- 9.113 Establishes procedures that insure effective coordination with the Executive Director for Investments and Trusts with regard to the management of trust lands other than University Lands.
- 9.114 Directs and manages the operation of the following budgeted activities which are part of the Office of Lands Management:
  - Board for Lease - University Lands;
  - University Lands - Oil, Gas, and Mineral Interests;
  - University Lands Accounting Office;
  - University Lands - Surface Interests (Oil Field Supervision);
  - and
  - University Lands - Surface Interests (Leasing and Agricultural Projects).

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- Board for Lease - University Lands;
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  - University Lands Accounting Office;
  - University Lands - Surface Interests (Oil Field Supervision);
  - and
  - University Lands - Surface Interests (Leasing and Agricultural Projects).

- 9.12 Manager of University Lands - Oil, Gas, and Mineral Interests.  
Subject to delegation by the Executive Vice Chancellor for Asset Management, the Manager of University Lands - Oil, Gas, and Mineral Interests is responsible for providing field supervision of System operations, activities and transactions involving oil, gas, and mineral development and production on the University Lands. Within limits of authority set by the Executive Vice Chancellor for Asset Management, the Manager's regular duties include:
- 9.121 Making recommendations to the Board for Lease of University Lands, and the Board of Regents, as appropriate, for periodic oil and gas lease sales of University Lands, and for unitization, pooling and other transactions involving oil and gas leasehold and royalty interests and other mineral interests in University Lands.
- 9.122 Organizing, directing, guiding, setting objectives and standards for, and assigning and evaluating the work of all personnel reporting to him.
- 9.123 Reviewing periodically the terms and conditions of forms and transactions involving oil and gas interests in University Lands, and making recommendations with respect thereto to the Executive Vice Chancellor for Asset Management and the Board for Lease of University Lands.
- 9.124 Reporting regularly to the Executive Vice Chancellor for Asset Management and the Board for Lease of University Lands all activities, developments and problems which could significantly affect System interests and University Lands, together with his recommendations with respect thereto.
- 9.125 Working closely with the Board for Lease of University Lands in the discharge of its duties and responsibilities.

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- 9.121 Making recommendations to the Board for Lease of University Lands, and the Board of Regents, as appropriate, for periodic oil and gas lease sales of University Lands, and for unitization, pooling and other transactions involving oil and gas leasehold and royalty interests and other mineral interests in University Lands.
- 9.122 Organizing, directing, guiding, setting objectives and standards for, and assigning and evaluating the work of all personnel reporting to him.
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- 9.124 Reporting regularly to the Executive Vice Chancellor for Asset Management and the Board for Lease of University Lands all activities, developments and problems which could significantly affect System interests and University Lands, together with his recommendations with respect thereto.
- 9.125 Working closely with the Board for Lease of University Lands in the discharge of its duties and responsibilities.

- 9.126 Coordinating with the Manager of University Lands - Surface Interests in the discharge of their respective duties and responsibilities.
- 9.13 Manager of University Lands - Surface Interests.  
Subject to delegation by the Executive Vice Chancellor for Asset Management, the Manager of University Lands - Surface Interests is responsible for providing field supervision of System operations, activities, and transactions pertaining to surface interests, water rights and oil and gas field operations in or on University Lands. Within limits of authority set by the Executive Vice Chancellor for Asset Management, the Manager's regular duties include:
- 9.131 Making recommendations to the Board with respect to all transactions involving surface interests in University Lands, including research projects, right-of-way easements, agricultural, grazing and other surface use leases, and geophysical permits.
- 9.132 Organizing, directing, guiding, setting objectives and standards for, and assigning and evaluating the work of all personnel reporting to him.
- 9.133 Reviewing periodically the terms and conditions of forms and transactions involving surface interests in University Lands, and making recommendations with respect thereto to the Executive Vice Chancellor for Asset Management.
- 9.134 Reporting regularly to the Executive Vice Chancellor for Asset Management all activities, developments and problems which could significantly affect System interests in University Lands, together with his recommendations with respect thereto.
- 9.135 Working closely with federal and state agencies in connection with research and development projects and activities, involving utilization and husbandry of University Lands, of mutual interest to the System and such agencies.
- 9.136 Coordinating with the Manager of University Lands - Oil, Gas, and

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- 9.126 Coordinating with the Manager of University Lands - Surface Interests in the discharge of their respective duties and responsibilities.
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- 9.135 Working closely with federal and state agencies in connection with research and development projects and activities, involving utilization and husbandry of University Lands, of mutual interest to the System and such agencies.
- 9.136 Coordinating with the Manager of University Lands - Oil, Gas, and

Mineral Interests in the discharge of their respective duties and responsibilities, and acts as oil and gas fields supervisor.

9.2

Investments and Trusts.

The Executive Vice Chancellor for Asset Management and his or her delegates, the Director for Investments and the Director for Endowments and Trusts, implement policies and actions approved by the Board with respect to:

- 9.21 Investing, managing, and administering of all endowment funds belonging to the System and its component institutions, including the Permanent University Fund and all trusts and special funds.
- 9.22 Issuing, managing and paying all bonds and other evidences of indebtedness issued by the Board for System and its component institutions.
- 9.23 Presenting to the Board through the Office of the Chancellor periodic reports of the status and prospect of funds for which he or she has responsibility and that will be available for expenditure by the System and its component institutions.
- 9.24 Consulting with the Executive Associate for Economic Affairs with respect to the development of long-range plans for the development and management of the economic resources of the System and its component institutions.

*amended  
12/2/87*

Sec. 10. Budget Director.

The Budget Director's primary responsibilities are to plan and develop systems and procedures for uniform budget preparation, budget control and financial reporting. Subject to delegation by the Executive Director for Finance and Administration, the major duties of the Budget Director include:

- 10.1 Formulating procedures governing the preparation and review of all budgets and developing effective methods of presenting approved budgets to appropriate agencies.
- 10.2 Recommending procedures to be followed, including format, schedules of budget preparation, and effective review of budgets.
- 10.3 Preparing budget-writing instructions.

Mineral Interests in the discharge of their respective duties and responsibilities, and acts as oil and gas fields supervisor.

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Subject to delegation by the Executive Vice Chancellor for Asset Management, the Executive Director for Investments and Trusts implements, when they are approved by the Board, policies and actions with respect to:

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- 9.22 Issuing, managing and paying all bonds and other evidences of indebtedness issued by the Board for System and its component institutions.
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- 10.3 Preparing budget-writing instructions.

- 10.4 Conducting budget and other related research studies.
- 10.5 Planning systems and procedures for budgetary control and financial reporting.
- 10.6 Controlling and supervising distribution of all budgets and processing and approving (as delegated) interim budget changes.
- 10.7 Preparing periodic budgetary, financial, and special reports, as appropriate.
- 10.8 Serving as liaison with the staff of the Legislative Budget Board, the Governor's Budget and Planning Office, and the Coordinating Board, Texas College and University System.

Sec. 11. Comptroller.

- 11.1 Subject to delegation by the Executive Director for Finance and Administration (provided, however, that, in the audit functions, the Comptroller shall report directly to the Chancellor), the Comptroller formulates and recommends procedures to be followed in the business operations of the System for:
  - 11.11 Accounting, auditing and reporting, and expenditure control.
  - 11.12 Receipt, disbursement, and custody of funds.
  - 11.13 Procurement and purchasing.
  - 11.14 Management of auxiliary service enterprises.
  - 11.15 Data processing systems - including prior approval of equipment acquisitions by purchase or lease.
  - 11.16 Accounting and business system development.
  - 11.17 Accounting records, forms, procedures, and financial reports, including format for such reports.
  - 11.18 Terms of depository agreements with banks.
  - 11.19 Lease contracts for building space.
  - 11.1(10) Approval of the business aspects and overhead rates in research and other contracts with outside agencies.
  - 11.1(11) Conducting postaudits at each component institution.
  - 11.1(12) Supervising the auditing of oil and gas production.
- 11.2 The Comptroller is responsible as joint custodian with the Director of Accounting for bearer securities owned by System funds that are maintained in bank safe

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  - 11.1(11) Conducting postaudits at each component institution.
  - 11.1(12) Supervising the auditing of oil and gas production.
- 11.2 The Comptroller is responsible as joint custodian with the Director of Accounting for bearer securities owned by System funds that are maintained in bank safe

deposit boxes and are not in the custody of the State Treasurer.

Sec. 12. Director of Accounting.

- 12.1 The Director of Accounting of The University of Texas at Austin serves also as director of accounting for System Administration and is the accounting officer for both The University of Texas at Austin and for System Administration. Subject to delegation by the Executive Director for Finance and Administration, his duties include:
- 12.11 Having responsibility for custody, accounting and reporting of all funds handled by the Director of Accounting's Office for the component institutions outside of Austin, and for System Administration, the Permanent University Fund, the Available University Fund, and trust and special funds.
- 12.12 For securities owned by System funds and not in custody of the State Treasurer, having custody of registered securities and joint custodian, with the Comptroller, of bearer securities maintained in bank lock boxes.
- 12.13 Maintaining a full and complete set of records that accurately reflect the balances and transactions of all financial and property accounts of the System (as contracted with such accounts of the component institutions).
- 12.2 With respect to System Administration matters, the Director of Accounting reports to and is responsible to the Comptroller. With respect to other matters, he reports to the appropriate officers of The University of Texas at Austin.

Sec. 13. Director of Facilities Planning and Construction.

The Director of Facilities Planning and Construction reports to the Office of the Chancellor under the day-to-day supervision of the Chancellor. His primary duties and responsibilities include:

- 13.1 The provision of staff assistance to the Chancellor and the Executive Vice Chancellors in the execution of their responsibilities.
- 13.2 Managing the administration and general supervision of any new building construction and initial equipping thereof or any inside or outside repairs, remodeling, rehabilitation, new construction of improvements other than building, or campus planning costing ~~\$300,000~~ or more; managing any preliminary planning, feasibility studies, or investigations which are estimated to

*Editorial  
Change only*

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- 12.11 Having responsibility for custody, accounting and reporting of all funds handled by the Director of Accounting's Office for the component institutions outside of Austin, and for System Administration, the Permanent University Fund, the Available University Fund, and trust and special funds.
  - 12.12 For securities owned by System funds and not in custody of the State Treasurer, having custody of registered securities and joint custodian, with the Comptroller, of bearer securities maintained in bank lock boxes.
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- 13.1 The provision of staff assistance to the Chancellor and the Executive Vice Chancellors in the execution of their responsibilities.
- 13.2 Managing the administration and general supervision of any new building construction and initial equipping thereof or any inside or outside repairs, remodeling, rehabilitation, new construction of improvements other than building, or campus planning costing \$100,000 or more; managing any preliminary planning, feasibility studies, or investigations which are estimated to

ultimately develop into one of the above projects at any component institution of the System; advising and working with the consultants, architects and engineers employed by the Board subject to the terms and conditions of the contracts with those architects and engineers.

- 13.3 Serving as ex officio member of all faculty building committees at the component institutions.
- 13.4 Preparing and executing all documents relating to the acquisition and the use of funds received from the federal government and state agencies in connection with construction grant awards.
- 13.5 Coordinating the preparation of and approving of all grant applications on approved construction projects filed with governmental agencies.
- 13.6 Coordinating the development of and maintaining of master plans for all component institutions, including but not limited to land utilization, utility and landscape plans.
- 13.7 Developing standards for maintenance of all physical facilities at component institutions.
- 13.8 Directing the negotiation and approval of all utility contracts.

Sec. 14. System Personnel Director.

The System Personnel Director's primary responsibility is to plan, develop, and coordinate System-wide personnel policies and procedures. Subject to delegation by the Executive Director for Finance and Administration, the System Personnel Director is responsible for:

- 14.1 Acting as liaison between component institution personnel officers and the System officers regarding all personnel matters relating to classified personnel, administrative staff, and certain matters relating to teaching and/or academic personnel.
- 14.2 Advising the System officers and making recommendations concerning development of methods and procedures designed to maximize the effectiveness of System Personnel Programs.
- 14.3 Reviewing and recommending all classified personnel pay plans for each component institution, including the establishment of proper classification and pay scales consistent with needs and System-wide policies and procedures.

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- 13.3 Serving as ex officio member of all faculty building committees at the component institutions.
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- 14.2 Advising the System officers and making recommendations concerning development of methods and procedures designed to maximize the effectiveness of System Personnel Programs.
- 14.3 Reviewing and recommending all classified personnel pay plans for each component institution, including the establishment of proper classification and pay scales consistent with needs and System-wide policies and procedures.

- 14.4 Reviewing and recommending the Personnel Office budgets for each component institution.
- 14.5 Directing the administration of the System Personnel Office, including the Workmen's Compensation Insurance section.
- 14.6 Reviewing and recommending to System officers any rules and regulations or changes thereto that, after proper consultation with officers of component institutions, are considered beneficial or necessary for the proper administration of the System-wide Personnel Program.
- 14.7 Establishing employee development and training programs for all component institutions, including particularly supervisory training programs.
- 14.8 Formulating policies and procedures concerning labor relations and employer-employee relationships.
- 14.9 Assisting and establishing personnel data systems and proper practices and procedures concerning the personnel records of all employees.
- 14.(10) Conducting System-wide wage and salary research studies and formulating data for proper implementation of personnel pay programs.
- 14.(11) In consultation with the personnel offices of the component institutions, developing and maintaining a System-wide Personnel Pay Plan with uniform titles and account numbers.

Sec. 15. Director of Police.

Subject to delegation by the Executive Director for Finance and Administration, the Director of Police is responsible for:

- 15.1 Approving qualifications for police personnel at the component institutions of the System and approving all applicants to a basic or in-service training school or academy.
- 15.2 Approving the organizational structure for police departments at the component institutions of the System.
- 15.3 Establishing and supervising all training programs for System police, including basic and in-service training,

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- 14.4 Reviewing and recommending the Personnel Office budgets for each component institution.
- 14.5 Directing the administration of the System Personnel Office, including the Workmen's Compensation Insurance section.
- 14.6 Reviewing and recommending to System officers any rules and regulations or changes thereto that, after proper consultation with officers of component institutions, are considered beneficial or necessary for the proper administration of the System-wide Personnel Program.
- 14.7 Establishing employee development and training programs for all component institutions, including particularly supervisory training programs.
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Subject to delegation by the Executive Director for Finance and Administration, the Director of Police is responsible for:

- 15.1 Approving qualifications for police personnel at the component institutions of the System and approving all applicants to a basic or in-service training school or academy.
- 15.2 Approving the organizational structure for police departments at the component institutions of the System.
- 15.3 Establishing and supervising all training programs for System police, including basic and in-service training,

as well as on-the-job training at each component institution of the System.

- 15.4 Conducting the System training in accordance with the standards of the Texas Commission on Law Enforcement Officer Standards and Education, in order to maintain accreditation with this state agency.
- 15.5 Maintaining liaison with the Director of Training, Texas Department of Public Safety, and the Coordinator of Training, Federal Bureau of Investigation, and being aware of new training techniques, procedures, programs, and equipment.
- 15.6 Establishing a uniform reporting and record system for police departments at the component institutions of the System and approving any changes thereto.
- 15.7 Conducting periodic inspection of the police departments of the component institutions of the System and evaluating their performance as police agencies.
- 15.8 Formulating and establishing policies and procedures for police operations on a System-wide basis.
- 15.9 Establishing, maintaining, and supervising on a System-wide basis, a program for police personnel promotion.
- 15.(10) Reviewing and recommending the pay scale for police personnel throughout the System.
- 15.(11) Surveying all component institutions of the System for security needs of existing buildings, grounds, and lighting, in order to make the appropriate recommendations to insure the prevention of criminal activities and the protection of life and property.
- 15.(12) Consulting with the Office of Facilities Planning and Construction on security needs for new construction including security lighting on the property of the component institutions of the System.
- 15.(13) Coordinating the use of police throughout the System in emergency situations.
- 15.(14) Submitting periodic reports to the Executive Director for Finance and Administration concerning the operations of the police departments of the System.

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- 15.4 Conducting the System training in accordance with the standards of the Texas Commission on Law Enforcement Officer Standards and Education, in order to maintain accreditation with this state agency.
- 15.5 Maintaining liaison with the Director of Training, Texas Department of Public Safety, and the Coordinator of Training, Federal Bureau of Investigation, and being aware of new training techniques, procedures, programs, and equipment.
- 15.6 Establishing a uniform reporting and record system for police departments at the component institutions of the System and approving any changes thereto.
- 15.7 Conducting periodic inspection of the police departments of the component institutions of the System and evaluating their performance as police agencies.
- 15.8 Formulating and establishing policies and procedures for police operations on a System-wide basis.
- 15.9 Establishing, maintaining, and supervising on a System-wide basis, a program for police personnel promotion.
- 15.(10) Reviewing and recommending the pay scale for police personnel throughout the System.
- 15.(11) Surveying all component institutions of the System for security needs of existing buildings, grounds, and lighting, in order to make the appropriate recommendations to insure the prevention of criminal activities and the protection of life and property.
- 15.(12) Consulting with the Office of Facilities Planning and Construction on security needs for new construction including security lighting on the property of the component institutions of the System.
- 15.(13) Coordinating the use of police throughout the System in emergency situations.
- 15.(14) Submitting periodic reports to the Executive Director for Finance and Administration concerning the operations of the police departments of the System.

Sec. 16. Director of Public Information.

The Director of Public Information reports to the Office of the Chancellor under the day-to-day supervision of the Chancellor. His primary duties and responsibilities include:

- added  
10/9/86*
- 16.1 The provision of staff assistance to the Chancellor, the Executive Vice Chancellors, and the Vice Chancellors in the execution of their responsibilities.
  - 16.2 Supervising the staff of the Office of Public Information.
  - 16.3 Communicating the activities of the Board and System Administration.
  - 16.4 Coordinating news releases and other public information emanating from the component institutions, which releases and information involve the Board and System Administration.
  - 16.5 Developing a format for the presentation of information about System institutions and activities to the general public.
  - 16.6 Performing such other duties and responsibilities for the efficient operation of the System as shall be assigned by the Office of the Chancellor.

Sec. 17. Councils of the System.

17.1 The System Council.

*amended  
10/9/86*

The System Council is composed of the Chancellor, the Executive Vice Chancellor for Academic Affairs, the Executive Vice Chancellor for Health Affairs, the Executive Vice Chancellor for Asset Management, the Executive Director for Finance and Administration, the Vice Chancellor and General Counsel, the Vice Chancellor for Governmental Relations, the Executive Director (Office of the Chancellor), the Director of Development, and the chief administrative officers of all the component institutions of The University of Texas System. The Chancellor shall serve as the Council's permanent chairman and shall conduct regular meetings to discuss those matters of general concern to the operation of The University of Texas System.

17.2 The Council of Academic Institutions.

*amended  
10/9/86*

The Council of Academic Institutions is composed of the Executive Vice Chancellor for Academic Affairs, the chief administrative officers of the general academic institutions of the System, and the chief administrative officer of the U. T. Institute of Texan Cultures. The Chancellor, the Executive Vice Chancellor for Asset Management, the Executive Director for Finance and Administration, the Vice Chancellor and General Counsel, the Vice Chancellor for Governmental Relations, the Executive Director (Office of the Chancellor), and the Director of Development, serve as ex officio members of this Council. The Executive Vice Chancellor

for Academic Affairs shall serve as the Council's permanent chairman and shall conduct regular meetings to review common problems of planning, development, and operation of the several institutions represented.

17.3 The Council of Health Institutions.

The Council of Health Institutions is composed of the Executive Vice Chancellor for Health Affairs and the chief administrative officers of the component institutions of the System concerned directly with health affairs. The Chancellor, the Executive Vice Chancellor for Asset Management, the Executive Director for Finance and Administration, the Vice Chancellor and General Counsel, the Vice Chancellor for Governmental Relations, the Executive Director (Office of the Chancellor), and the Director of Development serve as ex officio members of this Council. The Executive Vice Chancellor for Health Affairs acts as the Council's permanent chairman and shall conduct regular meetings to review common problems of planning, development, and operation of the several institutions represented.

17.4 The Business Management Council.

The Business Management Council advises the Office of the Chancellor in the areas of budgeting, business management, data processing, physical plant operations, planning, construction, and accounting systems development. The Council is composed of the Executive Director for Finance and Administration and the chief business officers of the component institutions. The Chancellor, the Executive Vice Chancellor for Academic Affairs, the Executive Vice Chancellor for Health Affairs, the Executive Vice Chancellor for Asset Management, the Vice Chancellor and General Counsel, the Vice Chancellor for Governmental Relations, the Executive Director (Office of the Chancellor), and the Director of Development, or their delegates, serve as ex officio members of this Council. The Executive Director for Finance and Administration shall serve as the Council's permanent chairman and shall conduct regular meetings of the Council.

Sec. 18. Chief Administrative Officers of Component Institutions.

18.1 The Board selects the chief administrative officer of each component institution.

18.11 When there is a vacancy or it is known that there is to be a vacancy in the office of a chief administrative officer of a component institution having faculty and students, an Advisory Committee shall be established to recommend candidates to the Board. The Executive Vice Chancellor having line responsibility for the operation of the

institution where the vacancy has occurred or is to occur shall be chairman of the Advisory Committee. In addition to the chairman, committee membership is as follows:

The Chancellor;

Three Chief Administrative Officers;

(to be appointed by the Chairman of the Board from three of the component institutions)

Three Regents;

(to be appointed by the Chairman of the Board)

Five Faculty members of the institution involved, at least three of whom shall have the rank of associate professor or higher; (method of selection to be determined by the General Faculty of the campus)

One Dean;

(for academic institutions to be selected by Dean's Council of the institution involved) (for health science centers to be the Dean of Medicine of the health science center involved)

Two Students from the institution involved; (method of selection to be determined by the Student Government of the campus involved or, if there be no Student Government, by the chief administrative officer of the institution)

President of the Ex-Students' Association of the campus involved; (if institution does not have an active alumni organization, then an alumnus of the component selected by the Chairman of the Board of Regents)

Not more than three representatives of the component's external constituency who have demonstrated a deep interest in and support of the institution, its programs and its

role in community activities to be appointed by the Chairman of the Board of Regents.

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- 18.12 When there is a vacancy or it is known that there is to be a vacancy in the office of a chief administrative officer of a component institution not having faculty and students, an Advisory Committee shall be appointed by the Executive Vice Chancellor having line responsibility for the institution, subject to approval of the Chairman of the Board. The Executive Vice Chancellor having such line responsibility shall be Chairman of the Committee.
- 18.13 The Advisory Committee shall set up selection criteria that relate to the needs of the individual component, initiate mechanisms to develop an appropriate candidate pool, seek information on the several candidates and inquire from competent sources as to the candidates' academic, administrative and business ability. The Committee may also interview candidates as a part of its selection process keeping in mind that the confidentiality of the process is important to its ultimate success.
- 18.14 Finally, the Advisory Committee shall submit, through its Chairman, a recommended list of not less than five or more than ten candidates with no preference indicated. Candidates submitted shall have received a majority vote of the Committee. The recommended list should be developed and submitted without regard to the Advisory Committee's assessment of the potential availability of any candidate. If none of the names submitted in the report of the Advisory Committee is satisfactory to the Board, then the Board in its discretion may either name a new committee or proceed to select a chief administrative officer under such other procedures as in its discretion it may deem proper and appropriate.
- 18.2 Each chief administrative officer reports to and is responsible to the Executive Vice Chancellor having line responsibility for the institution, and serves without fixed term, subject to the pleasure of the appropriate Executive Vice Chancellor and approval by the Board.

- 18.3 Within the policies and regulations of the Board, and under the supervision and direction of the Executive Vice Chancellor having line responsibility for the institution, the chief administrative officer has general authority and responsibility for the administration of that institution.
- 18.31 Specifically, the chief administrative officer is expected, with the appropriate participation of the staff, to:
- 18.311 Develop and administer plans and policies for the program, organization, and operation of the institution.
- 18.312 Interpret the System policy to the staff, and interpret the institution's program and needs to the Office of the Chancellor and to the public.
- 18.313 Develop and administer policies relating to students, and where applicable, to the proper management of services to patients.
- 18.314 Recommend appropriate operating budgets and supervise expenditures under approved budgets.
- 18.315 Nominate all members of the faculty and staff, maintain efficient personnel programs, and recommend staff members for promotion, retention, or dismissal for cause.
- 18.316 Insure efficient management of business affairs and physical property; recommend additions and alterations to the physical plant.
- 18.317 Serve as presiding officer at official meetings of faculty and staff of the institution, and as ex officio member of each college or school faculty (if any) within the institution.
- 18.318 Appoint, or establish procedures for the appointment of, all faculty, staff, and student committees.
- 18.319 Cause to be prepared and submitted to the Office of the Chancellor the rules and regulations for the governance of the institution. When such rules and regulations have been finally approved by the Office of the Chancellor, they shall thereafter constitute the Handbook of Operating Procedures for that institution. Provided,

- however, that whether or not finally approved by the Office of the Chancellor, any rule or regulation in any such institutional Handbook of Operating Procedures that is in conflict with any rule or regulation in the Regents' Rules and Regulations, is null and void and has no effect, and whenever any such conflict is detected, the Office of the Chancellor and the chief administrative officer of the component institution shall immediately make such amendments to the institutional Handbook of Operating Procedures as may be necessary to eliminate such conflict.
- 18.31(10) Assume initiative in developing long-range plans for the program and physical facilities of the institution.
- 18.31(11) Assume active leadership in developing private fund support for the institution in accordance with policies and procedures established in the Regents' Rules and Regulations.

Sec. 19. Appointment of Other Administrative Officers.

- 19.1 The Board delegates to the Executive Vice Chancellor having line responsibility for the institution and that Executive Vice Chancellor, in turn, delegates to the chief administrative officer of each component institution the responsibility for the appointment and dismissal of all other administrative officers of each component institution, including vice presidents, deans, directors and their equivalents. However, prior approval of the appropriate Executive Vice Chancellor shall be necessary for each such permanent or acting appointment and for each such dismissal whether from a permanent or acting appointment. All such other administrative officers serve without fixed terms and subject to the pleasure of the chief administrative officer of the institution and the aforesaid approval of the Executive Vice Chancellor.
- 19.2 The Board delegates to the Executive Vice Chancellor having line responsibility for the institution and that Executive Vice Chancellor, in turn, delegates to the chief administrative officer of each component institution the responsibility for the permanent or acting appointment of department chairmen, department

heads, and their equivalents. Such department chairmen, department heads and their equivalents serve without fixed terms and subject to the pleasure of the chief administrative officer of the institution.

- 19.3 The Board endorses the principle of reasonable faculty and student consultation in the selection of administrative officers of the component institutions, and the primary operating units, and expects the chief administrative officer, as he deems appropriate, to consult in the selection process with the representatives of the faculty and student body. However, the chief administrative officer of the component institution is responsible for executing the duties of his office and consequently shall not be bound by nominations to administrative positions in his institution by campus selection committees, and the Handbook of Operating Procedures of each component institution shall so state.

CHAPTER III

PERSONNEL

Sec. 1. Appointments.

- 1.1 The Board, upon the recommendation of the Office of the Chancellor, shall elect or appoint, as the case may be, all of the officers, faculty members, and other employees of the System and of the component institutions and agencies of the System, fixing, subject to State and Federal laws, the duties, rights, and privileges of each employee or each class or group of employees; provided, however, that the Board may delegate to the Office of the Chancellor, or through that office, to the chief administrative officers of the component institutions, authority to appoint employees in certain designated classes or categories.
- 1.2 All appointments shall be made on the basis of merit.
- 1.3 The chief administrative officers of the component institutions shall investigate thoroughly the character, integrity, scholastic attainment, and other qualifications of prospective members of their faculties and staffs before nominating them to the Office of the Chancellor and the Board, or before exercising any delegated authority for making appointments.
- 1.4 The chief administrative officers of the component institutions shall not nominate or appoint, nor will the Board approve the appointment of, any person whose conduct or views are not exemplary; and the Board may inquire, or authorize inquiry, into family history, health and personal and moral character of such person.
- 1.5 As provided in the Constitution of the State of Texas, Article I, Section 4, and by statute, no

religious qualification shall be required for appointment to any office or position connected with the System or any component institution thereof.

- 1.6 There shall be full compliance with statutory provisions requiring notification to employees.
- 1.7 Each component institution may require X-rays of the chest for applicants to be employed in regular positions. Employees whose duties will require the handling of food or the care of patients must pass a physical examination indicating fitness for the position for which application is made. The examination may be made at the health service of the component institution at which the applicant will be employed, if such service exists. Reports of physical examinations shall be filed as determined by the chief administrative officer.

1.8 Academic Titles.

In order to achieve consistency in the use of academic titles among the component institutions of the System, the following subsections describe the use of titles to apply in all institutions from the date of adoption of this section.

- 1.81 Except for the title Regental Professor, the only titles to be used henceforth in which faculty members may hold tenure are as follows:
- (a) Professor
  - (b) Associate Professor
  - (c) Assistant Professor
- 1.82 Persons holding a named chair or professorship or a position designated by academic discipline may acquire tenure by virtue of one of the three positions listed above, but not through the named chair or professorship or position designated by academic discipline.
- 1.83 The following academic titles may also be used within University of Texas System institutions. Tenure cannot be awarded to a person appointed to these ranks and, with the exception of the rank of instructor,

academic service within these ranks cannot be counted toward the satisfaction of any required probationary period. Appointments to these titles shall be for a period of time not to exceed one academic year, and, with the exception of the title of instructor, such appointments shall terminate at the expiration of the stated period of appointment without the notification of nonrenewal required by Subsection 6.7 of this Chapter of the Regents' Rules and Regulations. If a component institution determines that it is to the benefit of the institution, it may offer reappointments to these titles.

- (a) Instructor. This title denotes a probationary appointment as a member of an institutional faculty. During the period of probationary appointment to this rank the scholarly competence, teaching performance, and professional promise of the candidate will be evaluated.
- (b) Lecturer. This title may be used for individuals who will serve as teachers and whose experience and qualifications are comparable to those of faculty members in untenured, tenure-track positions.
- (c) Senior Lecturer. This title may be used for special teachers who will augment and complement regular teaching faculty and whose experience and qualifications are comparable to those of faculty members in tenure positions.
- (d) Assistant Instructor or Teaching Associate. These titles may be used interchangeably for (1) certain graduate students teaching on a part-time or full-time basis who are in the last phase of their doctoral programs and who are unconditionally enrolled in graduate study, or

academic service within these ranks cannot be counted toward the satisfaction of any required probationary period. Appointments to these titles shall be for a period of time not to exceed one academic year, and, with the exception of the title of instructor, such appointments shall terminate at the expiration of the stated period of appointment without the notification of nonrenewal required by Subsection 6.7 of this Chapter of the Regents' Rules and Regulations. If a component institution determines that it is to the benefit of the institution, it may offer reappointments to these titles.

- (a) Instructor. This title denotes a probationary appointment as a member of an institutional faculty. During the period of probationary appointment to this rank the scholarly competence, teaching performance, and professional promise of the candidate will be evaluated.
- (b) Lecturer. This title may be used for individuals who will serve as teachers and whose experience and qualifications are comparable to those of faculty members in untenured, tenure-track positions.
- (c) Senior Lecturer. This title may be used for special teachers who will augment and complement regular teaching faculty and whose experience and qualifications are comparable to those of faculty members in tenure positions.
- (d) Assistant Instructor or Teaching Associate. These titles may be used interchangeably for (1) certain graduate students teaching on a part-time or full-time basis who are in the last phase of their doctoral programs and who are unconditionally enrolled in graduate study, or

(2) persons who, because of the nature of their duties, such as in a laboratory or in a hospital, do not qualify for one of the usual academic titles and do not hold the academic training or professional distinction usually required for attaining tenure positions.

- (e) Teaching Assistant. This title usually applies to graduate students who are teachers and who are employed on a part-time basis. The only other teaching titles for graduate students are Teaching Associate and Assistant Instructor.
- (f) Faculty Associate. This title may be applied to a person assigned to a research or nonteaching center, institute, or other unit or interdisciplinary program of a component institution.
- (g) Specialist. This title may be used for professional individuals who will serve as practitioners in specific areas of instruction, training or supervision. Upon approval of the chief administrative officer and the Office of the Chancellor, the title may carry appropriate descriptive prefixes so as to indicate the specific areas of proficiency, e.g. Practice Teaching Specialist, Physical Activity Specialist, Social Work Field Training Specialist.
- (h) In the general academic institutions with health-related clinical programs, persons appointed to full-time positions for the primary purpose of patient care and other service activities, with only incidental teaching or research duties, shall be given one of the following titles:

- (1) Professor of Clinical  

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*(title of specialty)*  
(2) Associate Professor of Clinical  

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*(title of specialty)*  
(3) Assistant Professor of Clinical  

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*(title of specialty)*

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- (2) persons who, because of the nature of their duties, such as in a laboratory or in a hospital, do not qualify for one of the usual academic titles and do not hold the academic training or professional distinction usually required for attaining tenure positions.
- (e) Teaching Assistant. This title usually applies to graduate students who are teachers and who are employed on a part-time basis. The only other teaching titles for graduate students are Teaching Associate and Assistant Instructor.
- (f) Faculty Associate. This title may be applied to a person assigned to a research or nonteaching center, institute, or other unit or interdisciplinary program of a component institution.
- (g) Specialist. This title may be used for professional individuals who will serve as practitioners in specific areas of instruction, training or supervision. Upon approval of the chief administrative officer and the Office of the Chancellor, the title may carry appropriate descriptive prefixes so as to indicate the specific areas of proficiency, e.g. Practice Teaching Specialist, Physical Activity Specialist, Social Work Field Training Specialist.
- (h) In the health components, persons appointed to full-time positions for the primary purpose of research activities, with only incidental teaching or patient care duties, shall be given one of the following titles:
- (1) Research Professor of
- 
- (title of specialty)

(4) Instructor in Clinical

(title of specialty)

- (i) In the health components, persons appointed to full-time positions for the primary purpose of research activities or patient care and other service activities with only incidental teaching duties shall be given one of the following titles:

(1) Professor of

(title of specialty)

(2) Associate Professor of

(title of specialty)

(3) Assistant Professor of

(title of specialty)

(4) Instructor in

(title of specialty)

For persons appointed to positions pursuant to this Subsection, all appointment letters, personnel forms, budgets and other official documents of the health component shall state in parenthesis following the name and title of the individual either "(nontenured clinical appointment)" or "(nontenured research appointment)," as appropriate, and service in such positions shall not be credited as faculty service toward satisfaction of a required probationary period for the award of tenure.

1.84 Prefixes to academic and staff positions in which tenure cannot be acquired:

- (a) Visiting Professor, Visiting Associate Professor, and Visiting Assistant Professor. These titles are used only for temporary appointments of persons either visiting from other institutions where they hold similar ranks or who are brought to the University on a trial basis. Such appointments are limited to two years.
- (b) Adjunct Professor, Adjunct Associate Professor, and Adjunct Assistant

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- (2) Research Associate Professor of  
(title of specialty)
- (3) Research Assistant Professor of  
(title of specialty)
- (4) Research Instructor in  
(title of specialty)

(i) In the health components, and in the general academic institutions with health-related clinical programs, persons appointed to full-time positions for the primary purpose of patient care and other service activities, with only incidental teaching or research duties, shall be given one of the following titles:

- (1) Professor of Clinical  
(title of specialty)
- (2) Associate Professor of Clinical  
(title of specialty)
- (3) Assistant Professor of Clinical  
(title of specialty)
- (4) Instructor in Clinical  
(title of specialty)

1.84 Prefixes to academic and staff positions in which tenure cannot be acquired:

- (a) Visiting Professor, Visiting Associate Professor, and Visiting Assistant Professor. These titles are used only for temporary appointments of persons either visiting from other institutions where they hold similar ranks or who are brought to the University on a trial basis. Such appointments are limited to two years.
- (b) Adjunct Professor, Adjunct Associate Professor, and Adjunct Assistant

Professor. One of these titles may be used when a qualified person from business, industry, government, private practice, or another institution of higher education may be teaching a course or participating in the teaching of a course at one of the component institutions. Except in special circumstances, this prefix should be used to designate part-time service on the faculty. In the health components, this prefix should be used only for those persons not involved in patient care who otherwise satisfy the above criteria. Appointments to the faculty with an adjunct title may be with or without pay and shall be for a stated period of time not to exceed one academic year. Such appointments shall terminate upon expiration of the stated period of appointment without the notification of nonrenewal required by Section 6.7 of this Chapter of the Regents' Rules and Regulations. If a component determines that it is to the benefit of the institution, it may offer reappointment to an adjunct faculty member.

- (c) Clinical Professor, Clinical Associate Professor, Clinical Assistant Professor and Clinical Instructor. These titles may be used by the components to designate regular part-time service on the faculty while involved in a health professions clinical experience program. Appointments to the faculty with a clinical title may be with or without pay and shall be for a period of time not to exceed one academic year. Such appointments shall terminate upon expiration of

the stated period of appointment without the notification of nonrenewal required by Section 6.7 of this Chapter of the Regents' Rules and Regulations. If a component determines that it is to the benefit of the institution, it may offer reappointment to a clinical faculty member.

- (d) Professor Emeritus and Associate Professor Emeritus. One of these titles may be given to a retired faculty member or in anticipation of the retirement of a faculty member, effective upon retirement. The conferring of one of these titles is not automatic upon retirement and is conferred in accordance with procedures developed at the institution and upon approval by the chief administrative officer of the component institution.

1.85 Any person holding a position of Research Scientist, Research Associate, Research Assistant, or (in the health units) other appropriate research title, will be under the classified personnel system, unless special approval has been granted by the chief administrative officer of the institution to designate the individual as an unclassified employee in such a position.

1.86 Any faculty member who is awarded the Nobel Prize or who has in the past been awarded the Nobel Prize may, upon recommendation of the chief administrative officer of the component institution and the Office of the Chancellor, be given the title Regental Professor. Because of the great honor associated with the award of a Nobel Prize, institutional tenure is awarded to Regental Professors by virtue of the appointment to this rank.

- 1.87 The following titles, which have been used in the past, shall not be used in the future:
- (a) System Professor
  - (b) University Professor
  - (c) Research Professor. Positions for which this title was used in the past should carry the title of Research Scientist or Research Associate or other appropriate title except in the health units as outlined in Section 1.83(g).
  - (d) Guest Professor. In the future Visiting Professor should be used in lieu of this title.

Although persons may not in the future be appointed to any of the above four titles, this provision does not require that such titles be removed from persons currently holding them, provided, however, that present System Professors must be assigned to specific departments in specific institutions for purposes of determining accountability for their time, and present University Professors must be assigned to specific departments at their institutions for purposes of determining accountability for their time.

Sec. 2. Classified Personnel Systems.

- 2.1 Subject to System-wide rules, each of the component institutions shall provide a classified personnel system covering all positions not entailing significant instructional responsibilities or responsibilities for administration of instructional or research activities. These systems shall be as nearly uniform as possible, and shall include a schedule of class titles, job specifications for each class, a schedule of pay ranges, and policies and rules relating to personnel administration.
- 2.2 All appointments of classified personnel shall be made within appropriate salary ranges and on salary steps as defined by the classified personnel program

approved by the Board for the particular component institution.

- 2.3 The System-wide rules as to classified personnel are found in Part Two, Chapter V, Section 1.

Sec. 3. Employment of Aliens on Sponsored Projects.

Where sponsored contracts and grants do not otherwise prohibit or limit the employment of noncitizens, a noncitizen may be employed upon certification by an appropriate administrative officer at the component institution, that the officer has examined the applicant's visa and found it to be in order and has ascertained that the applicant has the approval of the United States Immigration authorities to accept such employment.

Sec. 4. Code of Ethics.--Each employee, under state law, shall be furnished a copy of the Code of Ethics (V.C.S. 6252-9b) and, in addition thereto, shall adhere to the following standards of conduct for employees of the System and its component institutions:

- 4.1 No employee shall accept any gift, favor, or service that might reasonably tend to influence the employee in the discharge of his or her official duties.
- 4.2 If an employee owns a controlling interest in a corporation, firm, partnership, or other business entity which is under the jurisdiction of any state regulatory agency, the employee shall file a sworn statement with the Secretary of State disclosing such interest.
- 4.3 No employee shall use his or her official position to secure special privileges or exemptions for himself/herself or others, except as may be otherwise provided by law.
- 4.4 No employee shall accept employment or engage in any business or professional activity which the employee might reasonably expect would require or induce the employee to disclose confidential information acquired by the employee by reason of his or her official position.

- 4.5 No employee shall disclose confidential information gained by reason of his or her official position, nor shall the employee otherwise use such information for his or her personal gain or benefit.
- 4.6 No employee shall transact any business in his or her official capacity with any business entity of which the employee is an officer, agent, or member, or in which the employee owns a controlling interest.
- 4.7 No employee shall make personal investments in any enterprise which will create a substantial conflict between the employee's private interests and the public interest.
- 4.8 No employee shall accept other employment which might impair the employee's independence of judgment in the performance of the employee's public duties.
- 4.9 No employee shall receive any compensation for services as an employee from any source other than the State of Texas, except as may be otherwise provided by law.

Sec. 5. Appointment of Relatives (Nepotism Rule).

- 5.1 Whenever an appointment is made, either on a full-time or part-time basis, it shall be made solely with regard to the special fitness of the appointee, subject to applicable statutes; and subject also to the provisions of this section of the Regents' Rules and Regulations.
- 5.2 In accordance with the prohibition of Article 5996a, Vernon's Civil Statutes, no person related to any member of the Board of Regents within the second degree by affinity or within the third degree by consanguinity shall be eligible for appointment to any office, position, employment, or duty with The University of Texas System or any component institution thereof, when the salary, fee, or compensation of such appointee is to be paid, either directly or indirectly, out of public funds of any kind.

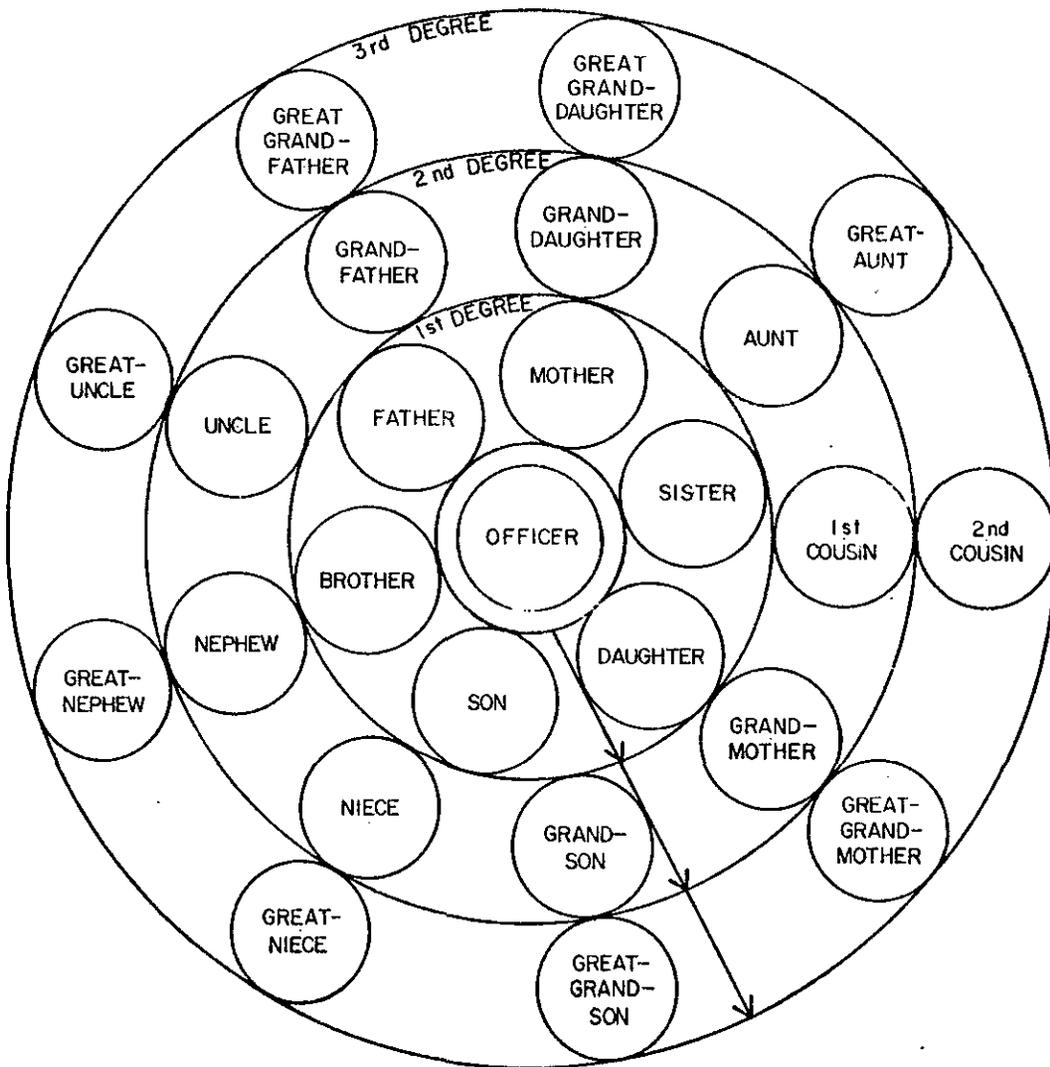
- 5.21 Article 5996a, Vernon's Civil Statutes, does not prohibit the reappointment or continued employment of any person who shall have been continuously employed in any such office, position, employment, or duty for a period of one (1) year prior to the appointment of the member of the Board of Regents related to such person within the prohibited degree, nor does it apply to prohibit honorary or nonre-munerative positions; provided that when such person is reappointed or continued in employment the member of the Board of Regents who is related to such person in the prohibited degree shall not participate in the deliberation or voting upon the reappointment, continuation of employment, change in status, compensation or dismissal of such person, if such action applies only to such person and not to a bona fide class or category of employees.
- 5.22 Those persons related within the prohibited degrees are indicated on the charts displayed in this Section as Table 1.
- 5.23 The prohibition of Article 5996a, Vernon's Civil Statutes, applies to all programs administered under the Board of Regents and may not be waived.

5.3 Even though the appointment of a person would not be prohibited by Article 5996a, Vernon's Civil Statutes, no officer, official or employee of The University of Texas System may approve, recommend, or otherwise act with regard to the appointment, reappointment, promotion, or salary of any person related to such officer, official, or employee within the second degree by affinity or the third degree by consanguinity regardless of the source of funds for payment of salary.

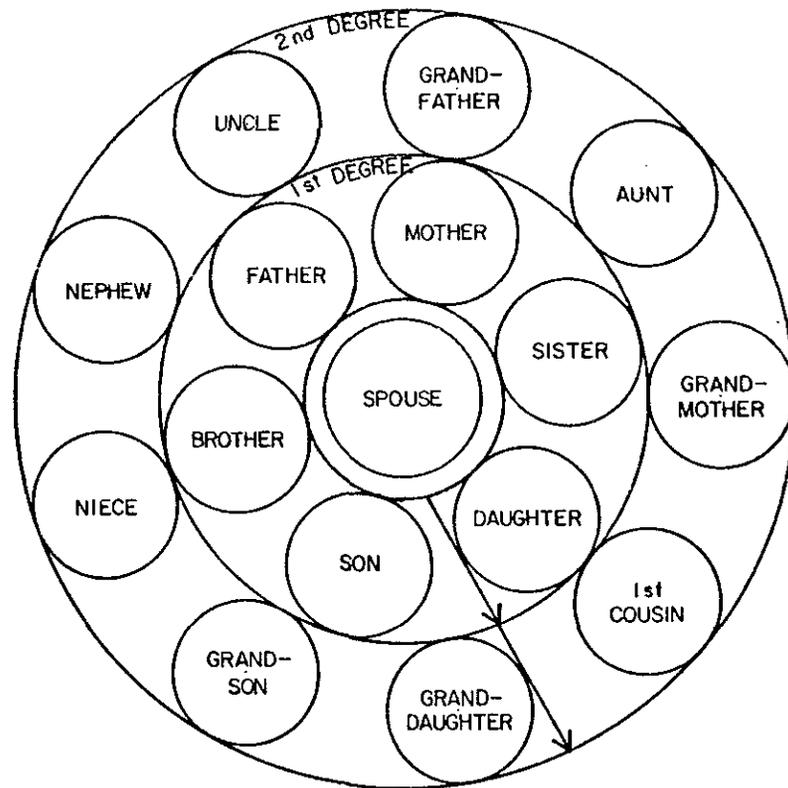
- 5.31 If the appointment, reappointment, or promotion of a person places him or her under an administrative supervisor related within the above specified degree, all subsequent actions with regard to reappointment, promotion, or salary shall be the responsibility of the next highest administrative supervisor. It shall also be the responsibility of the next highest administrator to make a written review of the work performance of such employee at least annually and submit each review for approval or disapproval by the component institution's Personnel Director in the case of classified employees or the chief administrative officer in the case of faculty or nonclassified employees.

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- 5.21 Article 5996a, Vernon's Civil Statutes, does not prohibit the reappointment or continued employment of any person who shall have been continuously employed in any such office, position, employment, or duty for a period of two (2) years prior to the appointment of the member of the Board of Regents related to such person within the prohibited degree, nor does it apply to prohibit honorary or nonremunerative positions.
- 5.22 Those persons related within the prohibited degrees are indicated on the charts displayed in this Section as Table 1.
- 5.23 The prohibition of Article 5996a, Vernon's Civil Statutes, applies to all programs administered under the Board of Regents and may not be waived.
- 5.3 Even though the appointment of a person would not be prohibited by Article 5996a, Vernon's Civil Statutes, no officer, official or employee of The University of Texas System may approve, recommend, or otherwise act with regard to the appointment, reappointment, promotion, or salary of any person related to such officer, official, or employee within the second degree by affinity or the third degree by consanguinity regardless of the source of funds for payment of salary.
- 5.31 If the appointment, reappointment, or promotion of a person places him or her under an administrative supervisor related within the above specified degree, all subsequent actions with regard to reappointment, promotion, or salary shall be the responsibility of the next highest administrative supervisor. It shall also be the responsibility of the next highest administrator to make a written review of the work performance of such employee at least annually and submit each review for approval or disapproval by the component institution's Personnel Director in the case of classified employees or the chief administrative officer in the case of faculty or nonclassified employees.



CONSANGUINITY KINSHIP CHART



AFFINITY KINSHIP CHART

TABLE I

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- 5.32 If the appointment, reappointment, or promotion of a person places him or her in an administrative or supervisory position with responsibility to approve, recommend or otherwise act with regard to the appointment, promotion, or salary of a person who is related to them within the degree prohibited by Article 5996a, all subsequent actions regarding the reappointment, promotion, or salary of such person shall be made by the next highest administrator or supervisor at the component institution or The University of Texas System.
- 5.33 It shall be the responsibility of the administrator or supervisor acting pursuant to Section 5.31 or 5.32 to make a written review of the work performance of such person at least annually and to submit such review to the next highest administrator or supervisor at the component institution or The University of Texas System.
- 5.34 The provisions of Section 5.31 shall apply to situations where two employees of the System marry and one spouse is the administrative supervisor of the other.
- 5.35 All situations covered by Section 5.31 shall be reported annually through the institution's docket or with the annual operating budget.

Sec. 6. Tenure, Promotion, and Termination of Employment.

6.1 Subject to the provisions of Section 65.32 of the Texas Education Code, which reads, "The board may remove any officer, member of the faculty, or employee connected with the system when in its judgment the interest of the system requires the removal," and subject to the terms and provisions of these Regents' Rules and Regulations, the principles governing tenure and promotion are specified for each component institution in the Handbook of Operating Procedures applicable to that institution. See also Section 1.8 above on academic titles.

- 6.2 Tenure denotes a status of continuing appointment as a member of the faculty at a component institution. Except for the title Regental Professor, only members of the faculty with the academic titles of Professor, Associate Professor, or Assistant Professor may be granted tenure. Tenure may be granted at the time of appointment to any of such academic ranks, or tenure may be withheld pending satisfactory completion of a probationary period of faculty service, however, such tenure status shall not be applicable to the faculty of The University of Texas of the Permian Basin or The University of Texas System Cancer Center.

The University of Texas of the Permian Basin and The University of Texas System Cancer Center are authorized to award a seven-year term appointment which will denote a status of continuing appointment at that institution as a member of the faculty for a period of seven years. Only members of the faculty with academic titles of Professor, Associate Professor, or Assistant Professor may be granted a seven-year term appointment. A seven-year term appointment may be granted at the time of appointment to any of such academic ranks, or may be withheld pending satisfactory completion of a probationary period of faculty service.

No component institution may adopt or implement a seven-year term appointment policy except The University of Texas of the Permian Basin and The University of Texas System Cancer Center.

- 6.21 Only full-time service in the academic ranks of Professor, Associate Professor, Assistant Professor, and Instructor, or any combination thereof, shall be counted toward fulfillment of a required probationary period related to the acquisition of tenure or a seven-year term appointment. Periods during which a faculty member is on leave of absence shall not be counted toward fulfillment of a required probationary period.
- 6.22 Prior service at other academic institutions, whether inside or outside the System, shall not be counted toward fulfillment of the

required probationary period unless specifically permitted under the provisions of a component institution's Handbook of Operating Procedures.

- 6.23 The maximum period of probationary faculty service in nontenured status in any academic rank or combination of academic ranks specified in Section 6.21 shall not be more than seven years of full-time academic service at the general academic institutions of the System and not more than nine years of full-time academic service at the health science centers of the System. In the event that a component institution fails to specify the maximum length of probationary service in its Handbook of Operating Procedures, such period shall be seven years at the general academic institutions of the System and nine years at the health science centers of the System. No later than August 31st of the penultimate academic year of the maximum probationary period in effect at any component institution, all nontenured faculty serving in a rank which accrues time toward satisfaction of a probationary period shall be given notice that the subsequent academic year will be the terminal year of employment or that beginning with the subsequent academic year tenure or a seven-year term appointment will be granted. In the event that the employment of a nontenured faculty member is to be terminated prior to the end of the maximum probationary period, notice shall be given in accordance with Section 6.7 below.
- 6.24 For purposes of calculating the period of probationary service, an "academic year" shall be the period from September 1st through the following August 31st. If a faculty member is initially appointed during an academic year, the period of service from the date of appointment until the following September 1st shall not be counted as academic service toward fulfillment of the maximum

probationary period. One year of probationary service is accrued by at least nine months full-time academic service during any academic year. A faculty member shall be considered to be on full-time academic service when in full compliance with regental standards pertaining to minimum faculty workloads at general academic institutions or when in compliance with the academic service standard in the Handbook of Operating Procedures of any health-related institution.

6.25 All faculty appointments are subject to the approval of the Board. No nontenured member of the faculty should expect continued employment beyond the period of his or her current appointment as approved by the Board. Any commitment to employ a nontenured member of the faculty beyond the period of his or her current appointment shall have no force and effect until approved by the Board.

6.26 A person appointed to a faculty position with the title of Instructor, Assistant Professor, Associate Professor, or Professor at a component institution of the System may not, during the term of such appointment, hold a tenured position on the faculty of another educational institution outside the System.

6.261 Appointments within the System to the above specified titles shall be conditioned upon the appointee having resigned any tenured position that the appointee may then hold on the faculty of an educational institution outside the System. Such resignation must be completed and effective prior to the effective date of the appointment at the System component; otherwise, such appointment shall be void and of no effect.

6.262 The acceptance of an appointment to a tenured position on the faculty of an educational institution outside the

System shall be considered as a resignation of any faculty position with the title of Instructor, Assistant Professor, Associate Professor, or Professor that such appointee may hold at a System component.

6.3

Termination by an institution of the employment of a faculty member who has been granted tenure and of all other faculty members before the expiration of the stated period of their appointment, except as is otherwise provided in Subsection 6.26, or by resignation or retirement for age in accordance with these rules, will be only for good cause shown. In each case the issue will be determined by an equitable procedure, affording protection to the rights of the individual and to the interests of the System.

- 6.31 A chief administrative officer may for grave cause suspend an accused faculty member pending immediate investigation or speedy trial as hereinafter provided.
- 6.32 In cases of incompetency, gross immorality, or felony, where the facts are admitted, summary dismissal will follow.
- 6.33 In cases where other offenses are charged, and in all cases where the facts are in dispute, the accused faculty member will be informed in writing of the charges, which, on reasonable notice, will be heard by a special hearing tribunal whose membership shall be appointed by the chief administrative officer from members of the faculty whose academic rank is at least equal to that of the accused faculty member.
- 6.331 In every such hearing the accused will have the right to appear in person and by counsel of the accused's selection and to confront and cross-examine witnesses who may appear.
- 6.332 The accused faculty member shall have the right to testify, but may not be required to do so, and may introduce in his or her behalf all evidence, written or oral, which may be relevant or material to the defense.

- 6.333 A stenographic or electronic record of the proceedings will be taken and filed with the Board, and such record shall be made accessible to the accused.
- 6.334 A representative of the institution may appear before the hearing tribunal to present witnesses and evidence against the accused faculty member and in support of the charge brought against such faculty member, and such institutional representatives shall have the right to cross-examine the accused faculty member (if the faculty member testifies in his or her own behalf) and the witnesses offered on behalf of the faculty member.
- 6.335 The hearing tribunal shall not include any accuser of the faculty member. If the accused faculty member is not satisfied with the fairness or objectivity of any member or members of the hearing tribunal, the faculty member may challenge their alleged lack of fairness or objectivity, but any such challenge must be made prior to the submission of any evidence to the hearing tribunal. The accused faculty member shall have no right to disqualify any such member or members from serving on the tribunal. It shall be up to each such challenged member to determine whether he or she can serve with fairness and objectivity in the matter, and if any such challenged member should voluntarily disqualify himself, the chief administrative officer shall appoint a substitute member of the tribunal who is qualified hereunder.
- 6.336 The hearing tribunal, by a majority of the total membership, will make written findings on the material facts and a recommendation of the continuance

or termination of the accused faculty member's tenure. The hearing tribunal, by a majority of its total membership, may make any supplementary suggestions it deems proper concerning the disposal of the case. The original of such findings and the basic recommendation, together with any supplementary suggestions, shall be delivered to the Board and a copy thereof to the accused. If minority findings, recommendations, or suggestions are made, they shall be similarly treated.

6.34 The Board, by a majority of the total membership, will approve, reject, or amend such findings, recommendations, and suggestions, if any, or will recommit the report to the same tribunal for hearing additional evidence and reconsidering its findings, recommendations, and suggestions, if any. Reasons for approval, rejection, or amendment of such findings, recommendations, or suggestions will be stated in writing and communicated to the accused.

6.35 Nontenured faculty members who are notified in accordance with Section 6.7 that they will not be reappointed or who are notified in accordance with Section 6.23, 6.7, or 6.8 that the subsequent academic year will be the terminal year of appointment shall not be entitled to a statement of the reasons upon which the decision for such action is based. No hearing to review such a decision shall be held unless the affected faculty member submits in writing to the chief administrative officer of the institution factual allegations that the decision to terminate was based upon the faculty member's exercise of rights guaranteed by the laws or Constitution of this state or the United States and requests an administrative hearing to review these allegations. Such allegations shall be heard under the same procedures as in the case of dismissal for cause, with the following exceptions:

- (1) the burden of proof is upon the affected faculty member to establish at such hearing that the decision in question was based on the faculty member's exercise of rights guaranteed by the laws or Constitution of this state or the United States;
- (2) the administration of the institution need not state the reasons for the questioned decision or offer evidence in support thereof unless the affected faculty member presents a prima facie case in support of the allegations.

- 6.4 Any employee of any component institution of the System, including any member of the faculty or administration, who, acting either singly or in concert with others, obstructs or disrupts, by force or violence, any teaching, research, administrative, disciplinary, public service, or other activity authorized to be held or conducted on the campus of a component institution of the System, shall be subject to dismissal as an employee. As used in this subsection, the words "force or violence" include such acts as "stand-ins," "sit-ins," and "lie-ins," when such acts are in fact obstructive or disruptive of any of the authorized activities listed above.
- 6.5 Every faculty member and employee is expected to obey all federal, state, and local laws, and particularly Section 42.01 (Texas Penal Code) and Sections 4.30 and 4.31 (Texas Education Code). Any faculty member or employee who violates any provision of these three statutes is subject to dismissal as a faculty member or employee, notwithstanding any action by civil authorities on account of the violation.
- 6.6 The minimum standards of individual conduct required by the penal statutes of Texas or the United States are both expected and required of every faculty member and employee of the System and its component institutions. Any faculty member or employee who violates the minimum standards of conduct required by any felony

statute of Texas or the United States is subject to dismissal as a faculty member or employee, regardless of whether or not any action is taken against the faculty member or employee by civil authorities on account of such violation. If action for dismissal is taken, the appropriate administrative official shall proceed with the action in the same manner as he would in the case of a violation by a faculty member or employee of any other provision of these rules and regulations or a provision of any Handbook of Operating Procedures.

- 6.7 In the event of decision not to reappoint a nontenured faculty member, written notice will be given him or her not later than March 1st of the first academic year of probationary service if the appointment expires at the end of that academic year, or not later than December 15th of the second academic year of probationary service if the appointment expires at the end of that academic year. After two or more academic years written notice shall be given not later than August 31st that the subsequent year will be the terminal academic year of appointment. The notice required by this Section is not applicable where termination of employment is for good cause under Section 6.3 above.
- 6.8 A faculty member serving a seven-year term appointment shall be given notice not later than August 31st of the sixth academic year of such appointment period that the subsequent academic year will be the terminal year of employment or that, subject to the approval of the Board, at the conclusion of the subsequent academic year he or she will be reappointed to a seven-year term appointment.
- 6.9 Reappointment of nontenured members of the faculty to a succeeding academic year, reappointment of members of the faculty who are serving a seven-year term appointment to a succeeding seven-year term appointment, or the award of tenure or a seven-year term appointment, may be accomplished only by notice by the chief administrative officer of a component institution or his delegate with the approval of the Board.

Notwithstanding any provisions of Section 6.23, 6.7 or 6.8 to the contrary, no person shall be deemed to have been reappointed or to have been awarded tenure or a seven-year appointment because notice is not given or received by the time prescribed in Section 6.23, 6.7 or 6.8 or in the manner prescribed in Section 6.(11). Should it occur that no notice is received by the time prescribed in Section 6.23, 6.7 or 6.8, it is the duty of the academic employee concerned to make inquiry to determine the decision of the chief administrative officer of a component institution, who shall without delay give the required notice to the academic employee.

- 6.(10) Each faculty member shall keep the chief administrative officer of the component institution or his delegate notified of his current mailing address. The written notice required by Section 6.23, 6.7, or 6.8 shall be sent by certified mail, return receipt requested, to the last address given by the faculty member.
- 6.(11) Dismissal or demotion of classified or nonteaching personnel before the expiration of the stated period of appointment will be only for good cause shown, as determined by appropriate administrative officers to whom this responsibility is delegated by the chief administrative officer of the component institution and in case of such dismissal or demotion any appeal shall be reviewed by the chief administrative officer of the component institution.
- 6.(12) The chief administrative officer of a component institution has the responsibility for determining when it shall be necessary to reduce academic positions, the titles of which are given in Subsection 1.8 of this Chapter, or academic programs or both, subject to approval by the appropriate Executive Vice Chancellor of The University of Texas System. When such reductions are necessary as a result of financial exigency, the procedure for the selection and notification of those academic positions that are to be terminated shall be governed by this Section, and neither the procedures specified in Subsection 6.3 of this Chapter nor the notice requirements of Subsections 6.23, 6.7, and 6.8 of this Chapter shall be applicable.

6. (12) 1 Upon determining the existence of a financial exigency and the need to reduce academic positions or academic programs, or both, the chief administrative officer shall appoint a committee composed of faculty and administrative personnel to make recommendations to the chief administrative officer as to which academic positions and/or academic programs should be eliminated as a result of the financial exigency.
6. (12) 2 The committee will review and assess the academic programs of the institution and identify those academic positions that may be eliminated with minimum effect upon the degree programs that should be continued. The review will include, but not be limited to, an examination of the course offerings, degree programs, supporting degree programs, teaching specialties, and semester credit hour production.
6. (12) 3 Upon determining that one or more academic positions in a degree program or teaching specialty should be eliminated, the committee will recommend the particular position or positions to be terminated by reviewing the academic qualifications and talents of holders of all academic positions in those degree programs or teaching specialties, the needs of the program they serve, past academic performance, and the potential for future contributions to the development of the institution. Tenure status of a faculty member shall not be a consideration in the determination of whether a particular position should be eliminated except as permitted in Sub-section 6. (12) 4.
6. (12) 4 If, in the opinion of the committee, two or more faculty members are equally qualified and capable of performing a particular teaching role, the faculty member or members having tenure shall be given preference over nontenured faculty. However, if such faculty have the same tenure status, consideration

- will be given to the need of the institution for capabilities for teaching in multiple disciplines, and the faculty member or members qualified by training and experience to teach in more than one discipline or area of specialization will be given preference over a faculty member or members qualified to teach in only one discipline or area of specialization. In other instances, length of service as a member of the faculty at the institution shall be the determining factor.
6. (12) 5 Upon completion of its review, the committee shall promptly recommend to the chief administrative officer those persons who may be terminated, ranked in order of priority, with the reasons for their selection. The chief administrative officer shall, with such consultation with institutional administrative officers as he or she may deem appropriate, determine which academic positions are to be terminated because of the financial exigency and shall give the holders of these positions written notice of the decision.
6. (12) 6 Any person terminated due to financial exigency will be notified when a vacancy occurs in the same component institution in his or her field of teaching within the next two (2) academic years following the termination. If such person makes timely application and is qualified for the position to be filled, he or she shall be offered employment in that position. If the vacancy is in a field of teaching in which two or more persons have been terminated because of financial exigency, all will be notified of the vacancy and of those so notified and making timely application, employment will be offered to the person who is the better qualified for the position to be filled.

- 6.(12)7 The chief administrative officer shall appoint a hearing committee to hear any appeals for reconsideration of termination decisions based upon financial exigency. Within thirty (30) days from the date of the notice of termination, a person shall have the right to appeal to the hearing committee for reconsideration of the termination decision. The appeal for reconsideration shall be in writing and addressed to the chief administrative officer of the institution. A person to be terminated who appeals to the hearing committee shall be given a reasonably adequate written statement of the basis for the initial decision to reduce academic positions and, upon request of the person, shall be given any written data or information relied upon in arriving at such decision.
- 6.(12)8 The hearing committee shall set the date, time, and place for hearing the appeal for reconsideration. Such hearing shall be held within thirty (30) days of the date of the written request unless the person to be terminated waives such time requirement; however, such hearing shall be held within ninety (90) days from the date of the request. The hearing committee shall conduct the hearing in accordance with the following conditions and procedures.
- 6.(12)81 The hearing will be closed to the public unless requested to be open by the appealing person.
- 6.(12)82 The appealing person may be represented by legal counsel at his or her expense.
- 6.(12)83 The appealing person and the institution may offer any written evidence or oral testimony that is material to the issues.
- 6.(12)84 The burden shall be upon the appealing person to show by a preponderance of the credible evidence that:

- (a) financial exigency was not in fact the reason for the initial decision to reduce academic positions; or
- (b) the decision to terminate the appealing person as compared to another individual in the same discipline or teaching specialty was arbitrary and unreasonable.

No other issues shall be heard or considered by the hearing committee.

6. (12) 9 The hearing committee shall make written findings of fact and recommendations to the chief administrative officer as soon as practical following the hearing. The chief administrative officer shall have the final decision to either accept or reject the recommendation of the hearing committee.

Sec. 7. Rights and Responsibilities as a Citizen and as a Teacher.

- 7.1 The teacher is entitled to full freedom in research and in the publication of the results, subject to the adequate performance of other academic duties.
- 7.2 The teacher is entitled to freedom in the classroom in discussing his or her subject, but is expected not to introduce into his or her teaching controversial matter which has no relation to his or her subject.
- 7.3 The university teacher is a citizen, a member of a learned profession, and an officer of an educational institution supported by the state. When the teacher speaks or writes as a citizen, he or she should be free from institutional censorship or discipline, but the teacher's special position in the community imposes special obligations. As a person of learning and an educational officer, the teacher should remember that the public may judge the profession and the institution by his or her utterances. Hence the teacher should at all times be accurate, should exercise appropriate restraint, should show respect for the opinions of others, and should make it plain that the teacher is not an institutional spokesman. As a member of the staff of a State institution of higher education, he or she should refrain from involving the System or any of its component institutions in partisan politics.

7.4 The Board of the System recognizes and affirms the right of a member of the faculty or staff to participate in political activities so long as such political activities do not interfere with the discharge of the duties and responsibilities that the employee owes to the System or any of its component institutions and so long as such political activities do not involve the System or its component institutions in partisan politics (See Section 7.3). With the interest of the System or its component institutions being given first consideration, a leave of absence without pay may--but need not--be granted to a member of the faculty or staff (See Section 16). However, it would be inappropriate for a leave of absence without pay to be granted primarily to permit a member of the faculty or staff of the System or its component institutions to participate in political activity, including, but not limited to, being a candidate for political office, holding a political office, or directing the political campaign of another person seeking a political office. Therefore, if a member of the faculty or staff wishes to engage in political activity that interferes with the discharge of the duties and responsibilities that the employee owes to the System or any of its component institutions, the employee should voluntarily terminate employment by the institution. On the other hand, if the faculty or staff member does not voluntarily terminate employment by the institution and if the faculty or staff member's superior officer, such as the chief administrative officer, the Chancellor, an Executive Vice Chancellor, or the Board, finds that the faculty or staff member's political activity does in fact interfere with the discharge of the duties and responsibilities that the employee owes to the System or any of its component institutions, the chief administrative officer, the Chancellor, an Executive Vice Chancellor, or the Board shall terminate employment by the institution.

Sec. 8. The Greater Duties of a Member of the Teaching Staff.

8.1 Common practice has fixed the greater duties of a member of the teaching staff so clearly that many institutions do not even list them among their regulations. They are:

- 8.11 Teaching in the classroom, laboratory, seminar, or ward.
  - 8.12 Studying, investigating, discovering, and creating.
  - 8.13 Performing curricular tasks auxiliary to teaching and research, e.g., serving on faculty committees, attending to administrative and disciplinary tasks, promoting diligence and honest work in the student body.
  - 8.14 Influencing beneficially students and citizens in various extracurricular ways.
- 8.2 Performance as a teacher, as a scholar, as an administrator, and as an individual is valued greatly by any university, for in these four ways its work is chiefly done.
- 8.3 A state university being a public enterprise of maximum social importance, it is the duty of all persons connected with it to be as civic-minded as possible. It is also a duty to cooperate with the Board in carrying out the purposes and policies of the Board which are deliberately considered, usually by both the Board and the several faculties, in accordance with law and designed to attain the best educational results with the resources available. The Regents and all administrative officers are entitled to the cheerful acquiescence of all staffs in carrying out the policies duly adopted. At the same time, administrative officers are expected to listen with an open and appreciative mind to criticisms and suggestions coming to them from members of their staffs.

Sec. 9. Acquaintance with, Conformity to, Availability and Improvement of Regulations.

- 9.1 It is a specific and important duty of each member of the several teaching staffs to become acquainted with and to conform to all the rules and regulations relating to faculty and to the proper and orderly discharge of their work that are to be found set forth in both these Regents' Rules and Regulations and the institutional Handbook of Operating Procedures; in

catalogues, announcements of courses, and other official publications; in printed or other material regularly prepared for the use of the staff; and in minutes of the faculties. To this end, copies of the Regents' Rules and Regulations, Part One, and the official institutional Handbook of Operating Procedures shall be reproduced by the chief administrative officer and distributed and located on campus as considered appropriate by the chief administrative officer. The chief administrative officer shall have one copy of the Rules and Regulations and the institutional Handbook of Operating Procedures available at an appropriate location in his or her office for ready reference. In addition, the chief administrative officer shall distribute a copy of these two documents to the secretary to the faculty or representative faculty body at the institution. The official, current copy of the Regents' Rules and Regulations is maintained by the Executive Secretary to the Board.

- 9.2 It is also the specific duty of each member of the teaching staffs to consider the regulations and the routines in conforming to them and to propose what seem to be desirable changes in these regulations and routines to the appropriate faculty or official.

Sec. 10. Communications, Appeals, and Hearings.

- 10.1 Every member of a teaching staff has the right to propose changes in policies and procedures and to present arguments in support thereof.
- 10.11 Proposals should originate and follow routines as prescribed elsewhere in the Regents' Rules and Regulations or in the institutional Handbook of Operating Procedures.
- 10.12 When a proposal has been approved or amended by the appropriate institutional officials, faculties, and the component chief administrative officer, it shall then go to the Office of the Chancellor for recommendation to the Board if such action is required.

- 10.13 When a proposal has been approved or amended or rejected by the appropriate institutional officials, faculties, and the component chief administrative officer, any member or group of members of the staff may present an appeal in opposition to the action of the majority or in opposition to the recommendation of the institutional official or the component chief administrative officer, and this appeal, accompanied by reasons for and against the proposal, shall go through the prescribed administrative channels and shall be presented to the Office of the Chancellor and thence to the Board for final action. The deans and other institutional officials, the component chief administrative officer, the Office of the Chancellor and the Board may invite both sides for personal conferences and discussions.
- 10.14 An authorized routine for proposals, with the right of appeal, having been herein fixed, it follows that proposals shall always be made in accordance therewith.

10.2 Every voting member of any faculty has the right and the duty to propose changes and to participate in debate in faculty meetings.

10.3 Appeals of classified (nonteaching) employees concerning conditions of employment must be made in keeping with the rules governing such employees.

Sec. 11. Communications with the Legislature and Other State Agencies or Officials.--The Board is the only proper channel through which recommendations concerning the administration of the System, as a whole or in any of its parts, should reach the Legislature or other state agencies or officials.

Sec. 12. Office Hours.--Members of the teaching staffs are expected to post on their office doors, and publish in any other manner required by the chief administrative officer, office hours and conference periods most advantageous to students.

Sec. 13. Outside Employment.

- 13.1 Members of the faculty or staff of component institutions should not be discouraged from accepting appointments of a consultative or advisory capacity with governmental agencies, industry, or other educational institutions. The consideration to the System of such activity is the improvement of the individual by virtue of his continuing contact with nonacademic problems in the nonacademic world.
- 13.2 Members of the faculty or staff should be discouraged from accepting regular employment with units outside the System because this action would be divisive of loyalties and does not provide the return to the institutions indicated in 13.1.
- 13.3 Conflict of interest should be avoided in all instances of outside employment, but conflict of interest in an academic institution means outside activity which intrudes upon the academic functions of teaching, scholarly activities, and service to the institution.
- 13.4 Even in the case of members of the staff specifically engaged only in residence work, there exists an obligation, usually intermittent, to furnish expert knowledge and counsel for public benefit free of charge, provided that the meeting of this obligation by a faculty or staff member does not interfere with his regular duties, and provided further that in meeting this obligation a faculty or staff member on full-time duty shall avoid undue competition with legitimate private agencies.
- 13.5 No member of the faculty or staff engaged in outside remunerative activities shall use in connection therewith the official stationery of the System or any of its component institutions, or give as a business address any building or department of the institution.
- 13.6 No member of the faculty or staff shall accept employment or any position of responsibility if the discharge of such employment or responsibility will be antagonistic to the interests of the State of Texas or the System or any of its component institutions.

- 13.7 Every member of the faculty or staff who gives professional opinions must protect the System and its component institutions against the use of such opinions for advertising purposes. That is, when the employee does work in a private capacity, the employee must make it clear to those who employ him or her that the work is unofficial and that the name of the System and its component institutions is not in any way to be connected with the employee's name, exceptions being made of the name of the author attached to books, pamphlets, and articles in periodicals.
- 13.8 No member of the faculty or staff shall accept pay from private persons or corporations for tests, assays, chemical analyses, bacteriological examinations, or other such work of a routine character, which involve the use of property owned by the System or its component institutions, unless advance permission has been obtained from the chief administrative officer and provision has been made for compensation to the System or its component institutions.
- 13.9 No member of the full-time staff of the System on a twelve-month or nine-month basis shall be employed in any outside work or activity or receive from an outside source a regular retainer fee or salary until a description of the nature and extent of the employment has been filed with and approved by appropriate administrative officials as set forth in the institutional Handbook of Operating Procedures of each component institution. For special provisions relating to other state or federal employment, see Subsections 13.(10), 13.(11), and 13.(12) of this Section.
- 13.(10) Subject to the other provisions of this Section, a member of the faculty or staff may hold other non-elective offices or positions of honor, trust, or profit with the State of Texas or the United States if holding the other offices or positions is of benefit to the State of Texas or is required by state or federal law, and if there is no conflict between holding the office or position and holding the original office or position for which the member of the faculty or staff receives salary or compensation.

13. (11) Before a member of the faculty or staff may accept an offer to serve in other nonelective offices or positions of honor, trust, or profit with the State of Texas or the United States, the member of the faculty or staff must obtain from the appropriate administrative officials and the Board a finding that the requirements of this Section have been fulfilled, including the expected additional compensation to be received from such service. The finding of the Board shall be recorded in the official minutes of the meeting of the Board at which approval was granted.

13. (12) The chief administrative officer must keep a record of compensation received from additional state or federal employment, or both, including specifically: salary, bonuses, and per diem or other type of compensation.

Sec. 14. Holidays.--All faculty, classified and other nonteaching personnel are entitled to such holidays as are provided by the Legislature in the then current appropriation bill and as are approved annually by the Office of the Chancellor and the Board, or alternate holidays approved in the official calendars of the various institutions by the Office of the Chancellor and the Board. (See the Classified Personnel rules in the institutional Handbook of Operating Procedures.)

Sec. 15. Vacation.

15.1 Vacations for faculty on twelve-month appointments, classified personnel and nonteaching personnel shall be as provided by state law and approved by the Board. Vacations for hourly and part-time employees shall be on a percentage basis for the time appointed. (See the Classified Personnel rules in the institutional Handbook of Operating Procedures.)

15.2 An employee who resigns, is dismissed, or separates from university employment shall be entitled to be paid in "lump sum" for all vacation leave entitlement duly accrued at the date of termination provided the employee has had continuous employment with the state for six months. The payment shall be calculated at the rate of compensation being paid the employee at the time of termination.

- 15.3 In the case of death of an employee who has accumulated vacation leave, his estate will be paid for all accumulated vacation leave. The payment shall be calculated at a rate of compensation being paid the employee at the time of his death.

Sec. 16. Leaves of Absence without Pay.

- 16.1 With the interest of the institution being given first consideration and for good cause, leaves of absence without pay may be granted for a period within the term of appointment of a member of any faculty or staff.
- 16.2 The maximum unit period for which a leave of absence will be granted is the end of the fiscal or academic year in which the leave begins. In normal times, leaves for one year will be granted liberally, provided the department so recommends and can supply satisfactory replacements.
- 16.3 Except in unusual circumstances, such as military service, reasons of health, continued graduate study, and public service or other activity which reflects credit on the institution and enhances an individual's subsequent contributions to the institution, a second consecutive year of leave of absence will not be granted.
- 16.4 Except in very unusual circumstances a third consecutive leave of absence for one year will not be granted.
- 16.5 After a return to active duty of one year or more, the leave-of-absence privilege will again be available.
- 16.6 The granting of a leave of absence does not affect in any way the tenure position of the grantee.
- 16.7 For leave of absence to participate in a political campaign see Part One, Chapter III, Sec. 7.4.

- Sec. 17. Faculty Development Leaves.--Faculty development leaves for faculty members may be granted as set out in House Bill 669, 60th Legislature, Regular Session, 1967. This bill provides that after two consecutive academic years at the same institution faculty members as defined in this Act may be considered for a faculty development leave for one academic year at one-half his regular salary or for one-half academic year at his full regular salary. Such leaves shall be granted pursuant to procedures outlined in the Act and to the limitations therein.
- Sec. 18. Division of Salaries for Staff Engaged in Teaching and Nonteaching Activities.--Each component institution shall develop policies covering budgetary division of salaries for individuals whose employment is divided between teaching and nonteaching assignments subject to current statutory requirements or limitations. These policies shall be set forth in the institutional Handbooks of Operating Procedures.
- Sec. 19. Sick Leave.
- 19.1 Sick leave for all employees, including faculty, nonteaching personnel, and classified personnel, shall be as provided by state law.
- 19.2 In cases where illness incapacitates a member of an institutional or professional staff, arrangements for carrying on his usual duties must be made through appropriate administrative channels with the chief administrative officer of the institution.
- 19.3 In the case of death of an employee who has accumulated sick leave, the estate will be paid for the accumulated sick leave as permitted by law. The payment shall be calculated at the rate of compensation being paid the employee at the time of death.
- Sec. 20. Leave for Jury Duty.--Necessary time off for jury duty is allowed without loss of pay or vacation leave.

Sec. 21. Absence from Usual and Regular Duties.

- 21.1 Authorization for any member of a faculty or staff to be absent from his or her usual and regular duties will be granted only under the following conditions:
- 21.11 When such absence is on state business, and
  - 21.12 When appropriate provisions are made to carry on the duties of the absent person without additional expense to the institution; or
  - 21.13 In the case of military leave, not to exceed 15 working days each year.
- 21.2 Permission to be absent from usual and regular duties shall be obtained as prescribed in the Fiscal Rules (See Part Two hereof).

Sec. 22. Authorization to Travel.

- 22.1 Authorization to travel will be granted only under the conditions specified in the Fiscal Rules (See Part Two hereof).
- 22.2 A faculty or staff member whose usual duties do not require travel shall not be absent from the regular place of work and usual duties except with permission obtained according to the Fiscal Rules (See Part Two hereof).

Sec. 23. Compensation for Correspondence and Extension Teaching of Full-Time Staff Members.--Compensation rates for correspondence courses and extension center teaching for full-time teachers on a nine months' basis or for other employees on a twelve months' basis shall be in accord with rates fixed by the then current appropriation bill. If not so fixed, they shall be set from year to year by the chief administrative officer with the approval of the Office of the Chancellor.

Sec. 24. Textbooks and Other Materials Prescribed for the Use of Students.

- 24.1 The policy of the Board concerning textbooks and other materials prescribed for the use of students is as follows:
- 24.11 Although generally the individual instructor or the department should have wide discretion in the choice of materials to be used in the

courses offered by the department, frequent changes in the textbooks prescribed should be discouraged and should be made only for cogent reasons.

- 24.12 Although the authorship of books, outlines, manuals and similar materials by members of the staff should be encouraged, the prescribed use of these for students is a responsibility that goes beyond that of the individual author. Where practicable and equitable, the charge for outlines, syllabi, and similar materials prescribed for the use of students should be borne by the instructional department concerned. Whenever a charge is authorized for such mimeographed or similarly processed materials, the prices should be as low as possible, consistent with the payment of a fair and reasonable royalty to the author or authors.

24.2 To carry out this statement of policy the following procedures are prescribed:

- 24.21 Any proposed change in the textbook of any course, within one year from the date of first adoption, shall be approved by the departmental faculty having jurisdiction, and a statement of the authorization with reasons therefor shall be transmitted by the chairman of the department through the dean to the chief administrative officer.
- 24.22 Textbooks, notebooks, manuals, or other materials for the use of students of a component institution, written or prepared by a member of the faculty of that institution, shall not be prescribed for the use of students in that institution or sold to such students until such books, notes, manuals, or materials shall have been approved, with reasons stated, by the departmental faculty, the dean or deans concerned, and transmitted to the chief administrative officer for approval and inclusion in the next regular docket. All such requests shall indicate the proposed prices and profits, and their authorization shall be effective only to the end of the fiscal year (August 31) for which such approval has been given.

Sec. 25. Sectarian Courses Prohibited.--No course of instruction of sectarian character shall be taught in the System or any of its component institutions. (Texas Education Code, Section 65.38.)

Sec. 26. Acceptance of Money from Students.

- 26.1 Members of teaching staffs, without previous and special approval of the Board, shall not collect from students any fees or charges to be expended for institutional purposes, and shall not sell to students books, notes, or similar student supplies.
- 26.2 A member of the faculty or staff of the rank of instructor or above may not accept pay for extra instruction or teaching of students registered in the institution where he or she is employed.
- 26.3 With written approval, teaching assistants, assistants, and other like instructional employees below the rank of an instructor, may accept pay from students for extra-class instruction or coaching but only in courses or sections of courses with which they have no instructional connection. The Handbook of Operating Procedures of the component institutions shall specify the procedure for approval at the institutional level.

Sec. 27. Power to Authorize Expenditures out of System Funds.

- 27.1 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 its component institutions or of the Board by any member of the respective staffs of the System or any of its component institutions except:
- 27.11 In accordance with general or special budgetary apportionments authorized in advance by the Board and entered in its minutes; or
- 27.12 In accordance with authority specifically vested by the Board in a committee of the Board; or

- 27.13 In accordance with authority to act for the Board when it is not in session, specifically vested in some university officer by these Rules and Regulations or by special action of the Board.
- 27.2 It shall be the duty of the several institutional officers to see that all claims for payments of items not authorized as indicated above are refused and returned unpaid.
- 27.3 There shall be no sale to or purchase from the System or its component institutions by any employee thereof unless same has been duly authorized by the Board and the details relating thereto have been entered in its minutes.
- Sec. 28. Indebtedness to the System or the State.--Neither salary payments nor any other payments shall be made to an employee, his agent or assignee, who is indebted to the System, any of its component institutions, or to the State until such debt is paid.
- Sec. 29. Power to Bind the System in Fixing its Policies.--No employee of the System or any of its component institutions, as an individual or as a member of any association or agency, has the power to in anywise bind the System or any of its component institutions unless such power has been officially conferred in advance by the Board. Any action which attempts to change the policies or otherwise bind the System or any of its component 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 chief administrative officer concerned, if any, and the Office of the Chancellor, and ratified by the Board.
- Sec. 30. Institutional Employees as Students.--The Handbook of Operating Procedures for each of the component teaching institutions shall express the institutional policy as to the amount of course work full-time and part-time employees shall be permitted to carry.

Sec. 31. Retirement and Modified Service.

- amended  
10/9/87*
- 31.1 No tenured faculty member or law enforcement officer of The University of Texas System or of any component institution or agency thereof shall be continued in a full-time service capacity or at a full-time compensation rate beyond the end of the fiscal year that includes his or her seventieth birthday.
- 31.2 The Board of Regents, upon the recommendation of the Office of the Chancellor and, when appropriate, the chief administrative officer of the affected component institution, may appoint a person who has retired pursuant to Subsection 31.1 to modified service after the end of the fiscal year that includes the person's seventieth birthday.
- 31.3 Recommendation for, and appointment to, modified service shall be made only after a review of the individual's past and current performance and a finding that the individual is not only competent to continue his or her duties, but that the continued service of the individual will result in a significant benefit to the System or a particular component institution.
- 31.4 Appointment to modified service shall be for one academic year and may be renewed for successive terms of one academic year after an annual review, recommendation, and finding as set forth in Subsection 31.3. The notice provisions of Section 6.8 of this Chapter shall not apply to nonrenewal of such appointments.
- 31.5 The workload of an individual on modified service shall be no more than one-half of his or her workload immediately preceding appointment to modified service. Salary rate shall be in the same proportion of his or her salary rate for the fiscal year immediately preceding appointment to modified service as his or her workload is to a full-time workload and shall be subject to adjustment in accordance with policies and procedures applicable to other employees.

- 31.6 Upon recommendation of the Office of the Chancellor and, when appropriate, the chief administrative officer of the affected component institution, the Board of Regents may, by unanimous vote of the members present, make exceptions to this Section in special cases when the Board finds that the services of a particular individual will be of unique benefit to the System or a component institution.

Sec. 32. Faculty and Staff Organizations.

- 32.1 Each component institution shall adopt procedures for the registration of faculty and staff organizations at that institution. The period of registered status of an organization shall not exceed one academic year and such status shall automatically terminate at the end of each academic year; provided, however, an organization previously registered as a faculty or staff organization may apply for and be granted registration for subsequent periods of one academic year if it meets all applicable criteria in effect for the period for which registration is sought.
- 32.2 A registered faculty or staff organization shall be subject to all applicable rules and regulations of the component institution and The University of Texas System. Action taken by or on behalf of a registered faculty or staff organization that results in a violation of such rules and regulations is subject to disciplinary action which may result in the suspension or revocation of the registered status of the organization.
- 32.3 No organization may become registered or remain registered at a component institution as a faculty or staff organization unless the membership of the organization is restricted to the faculty or staff of that component institution.
- 32.31 At the time of application for registration and at the beginning of each semester that an organization is registered as a faculty or staff organization, each such organization shall file with the appropriate officer at the component institution an affidavit

executed by the president, chairman, or other appropriate official of the organization stating that the organization does not presently have, nor during any period of registration will it have, as a member any person who is not a member of the faculty or staff of the institution.

32.32 If the chief administrative officer of the institution, or his or her designated delegate, determines that the statements in such affidavit are false, registration shall be denied, or if it is determined that such affidavit has become false during any period of registration, such registration shall be cancelled.

32.4 Each application for registration as a faculty or staff organization shall be accompanied by a complete list of the names and addresses of all persons who are officers of the organization and the application shall identify by name and address the person or persons who are authorized to speak for or represent the organization in its relations with the institution and who are authorized to receive for the organization any official notices, directives, or instructions from the institution. This required information shall be kept current during any period of registration. If at any time during a period of registration it is determined by the chief administrative officer of the institution, or his or her delegate, that such information is not current and the organization does not make such information current within ten (10) days after being notified of such deficiency, registration shall be cancelled.

32.5 A registered faculty or staff organization may state that its membership is composed of the faculty or staff of a component institution, but it shall not suggest or imply that it is acting with the authority or as an agency of the institution. A faculty or staff organization shall not use the name of a component institution or the name of The University of Texas System as a part of the name of the organization, and it shall neither display the seal of either

a component institution or The University of Texas System in connection with any activity of the organization nor use such seal or seals as part of any letterhead, sign, banner, pamphlet, or other printed material that bears the name of the organization.

32.6 Faculty and staff organizations shall be subject to all applicable rules and regulations of The University of Texas System and the component institution at which the organization is registered. An organization is subject to disciplinary action or cancellation of registration for violation of such rules and regulations.

Sec. 33. Staff Benefits.--For other staff benefits, see Part Two hereof.

CHAPTER IV

FACULTY ORGANIZATION

Sec. 1. Educational Policy.

- 1.1 The Board will devote its best efforts to making all of institutions composing the System institutions of the "first class," as the Texas Constitution directs in Article VII, Section 10. The Board will be guided in general by the best practices of the best universities in the United States and abroad, especially by the best practices of state universities in the United States.
- 1.2 The Board will not, except in extraordinary cases, act on important matters of academic policy until it has received, or requested and obtained, advice thereupon from the institutional faculty or faculties affected or their legislative bodies. When new policies originating in any faculty give rise to serious differences of opinion in that body, the advice and recommended legislation shall, at the request of the minority, be accompanied by a record of the vote and by a summary of the reasons for and against the matters proposed.

Sec. 2. Institutional, College, School, and Departmental Faculties and Legislative Bodies.

- 2.1 General Authority.--Subject to the authority of the Board and subject further to the authority that the Board has vested in the various administrative officers and subdivisions of the System, the faculties of the component institutions regularly offering instruction shall have a major role in the governance of their respective institutions in the following areas:
- 2.11 General academic policies and welfare.
- 2.12 Student life and activities.
- 2.13 Requirements of admission and graduation.

- 2.14 Honors and scholastic performance generally.
  - 2.15 Approval of candidates for degrees.
  - 2.16 Faculty rules of procedure.
- 2.2 Necessity of Approval by Regents.--Legislation recommended by an institutional faculty, or legislative body thereof, requiring approval of the Board, shall not be effective unless and until approved by the Board. Such legislation by a college or school faculty shall not be presented to the Board until it has been approved by the institutional faculty, either directly or through its legislative body, and has received the consideration and recommendation of the appropriate chief administrative officer(s) and the Office of the Chancellor. The faculty affected will be notified by the Board, through administrative channels, of its action on recommended faculty legislation.
- 2.3 When Legislation is Effective.--Except where the Board has specifically authorized procedure for placing into effect emergency faculty legislation without prior Board approval, institutional faculty legislation shall become effective only upon approval by the Board or at such later time as the Board shall specify. The secretary of the institutional faculty shall be notified of Board action, and notice of such action shall be included in the official minutes of the faculty.
- 2.4 Approval of Degree Candidates.--It shall be the duty of the several institutional faculties to recommend approval or disapproval of all candidates for degrees. This duty may be delegated for any academic year by affirmative vote of the institutional faculty, or its legislative body, to the respective deans or other appropriate official. Should this duty not be delegated, then the institutional registrar, or his equivalent, shall furnish to the members of the institutional faculty a complete list of the degree candidates for recommendation.

- 2.5 List of Degree Candidates in Minutes.--The institutional registrar, as soon as possible after each commencement, shall provide the secretary of his institutional faculty, or its legislative body, with a complete list of all successful degree candidates, and the secretary shall insert the list in the minutes of the faculty.
- 2.6 Changes in Degree Requirements.--Changes in degree requirements shall not become effective until approved by the Board and published in the appropriate catalogue; provided, however, that students may be given the benefit of any action reducing or modifying the requirements for their degree immediately upon Board approval.
- 2.7 Faculty Minutes.--Copies of institutional faculty minutes, or of their legislative bodies, shall be available for use of members of the particular faculties individually, if desired; and shall be filed (1) in the offices of the secretaries to the faculty, (2) in the office of the chief administrative officers, (3) in the office of the appropriate Executive Vice Chancellor, and (4) in the institutional libraries.

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CHAPTER V

GRADUATE EDUCATION IN THE UNIVERSITY OF TEXAS SYSTEM

Sec. 1. The various component institutions of the System authorized to offer graduate degrees shall provide and maintain an appropriate faculty and administrative organization for such graduate degrees. The chief administrative officer of each component institution of the System shall be responsible to the Office of the Chancellor, and through it, to the Board for policies and administration of the graduate programs.

"Graduate programs," as the term is used in these rules, does not include the programs that lead to the M.D., D.D.S., M.P.H., Dr. P.H., J.D., LL.M., and M.C.J. degrees, or others that may be excluded upon recommendation by the chief administrative officer of the component institution and concurrence by the Office of the Chancellor.

Sec. 2. Within the general academic components, the designation "Graduate School" will be used if (a) there is a minimum of three distinct programs approved for doctoral degrees and thirty such doctoral degrees have been awarded; or (b) there is a minimum of ten distinct programs approved for master's degrees and fifty master's degrees have been awarded. In component institutions that do not meet these requirements, graduate study will be in a "Division of Graduate Studies."

Sec. 3. Graduate programs in the health components shall be administered as follows:

3.1 In the Health Science Centers at Dallas, Houston, and San Antonio and at Galveston Medical Branch the graduate programs will be administered through a Graduate School of Biomedical Sciences.

3.2 In the Nursing Schools of component institutions, graduate education will be administered as specific graduate programs coordinated by an administrative officer designated by the chief administrative officer of the component institution.

3.3 In the System Cancer Center research and graduate instruction will be offered in cooperation with other components which are authorized to award graduate degrees.

Sec. 4. Component institutions which offer graduate degrees and elect an administrative organization and designations different from those authorized above may do so only upon the recommendation of the chief administrative officer, the concurrence of the Office of the Chancellor and the approval of the Board.

Sec. 5. The policies and procedures for staffing and administering the graduate programs at all component institutions shall be set forth in the institutional Handbook of Operating Procedures. These policies and procedures shall include qualifications for faculty members assigned to teach graduate courses, supervise graduate programs, and advise graduate students.

Where two or more components of the System are authorized to conduct joint or cooperative degree programs, the chief administrative officers of the cooperating institutions shall be authorized to establish, subject to the approval of the Office of the Chancellor, special procedures and organizations for the administration of such programs.

CHAPTER VI

STUDENT SERVICES AND ACTIVITIES

Sec. 1. General Provisions.

- 1.1 These policies and regulations apply to all component institutions of the System and shall be implemented appropriately in the Handbook of Operating Procedures for each institution.
- 1.2 When the title, "Dean of Students," appears in this chapter, reference is made to the administrator bearing that title, or the officer or officers directly responsible for student affairs at each component institution.
- 1.3 All authority held and exercised by a Dean of Students is delegated to the Dean by the chief administrative officer just as all authority held and exercised by a chief administrative officer is delegated by the appropriate Executive Vice Chancellor. Therefore, any action taken is subject to review by the chief administrative officer and the appropriate Executive Vice Chancellor, and both the appropriate Executive Vice Chancellor and the chief administrative officer may approve, amend, or disapprove such action, just as the appropriate Executive Vice Chancellor may approve, amend, or disapprove any action taken by the administrative head of any component institution.
- 1.4 Any individual student, group of students, or student organization may petition the Board on any matter relating to these policies and regulations through the Dean of Students, the chief administrative officer, and the Office of the Chancellor.
- 1.5 These policies and regulations shall become effective on December 1, 1978, and shall, at that time, supersede all other policies and regulations that may be in conflict herewith.

- 1.6 Definition of Student.--A student is one who is currently enrolled at any of the component institutions of the System. These policies and regulations will also apply to any prospective or former student who has been accepted for admission or readmission to any component institution while he or she is on the campus of any component institution.
- 1.7 Definition of Campus.--The campus of a component institution is defined as all real property over which that institution has possession and control.

Sec. 2. The Dean of Students and His or Her Staff.

- 2.1 The Dean of Students shall be the administrative officer primarily responsible for the development and administration of policies relating to students and for the development and implementation of services to students in the areas assigned to him or her. The Dean shall have responsibility for the initial preparation of institutional regulations which will implement the policies and regulations set forth in this Chapter.
- 2.2 The Dean of Students shall have primary responsibility for (1) the supervision and development of student out-of-class programs and activities and of all student organizations; (2) the development of policies affecting student life; (3) the promulgation and enforcement of institutional rules that govern student conduct; and (4) the administration of student discipline on the campus.
- 2.3 The administrative staff of the Dean of Students shall consist of the heads of services for which the Dean has administrative responsibility.
- 2.4 The Dean of Students shall work with academic deans and department chairmen in structuring and implementing a program of faculty advising for both old and new students.

- 2.5 The Dean of Students shall be responsible for the preparation of the budgetary recommendations for the student services and activities under his or her jurisdiction.

Sec. 3. Student Conduct and Discipline.

- 3.1 The System and its component institutions have rules and regulations for the orderly and efficient conduct of their business, and each student is charged with notice and knowledge of the contents and provisions thereof.

- 3.2 All students are expected and required to obey the law, to show respect for properly constituted authority, and to observe correct standards of conduct.

3.21 Gambling, immoral conduct, dishonesty, or the excessive use of intoxicating liquors renders the student subject to discipline.

3.22 Any student who is guilty of the illegal use, possession and/or sale of a drug or narcotic on the campus of a component institution of the System is subject to discipline, including expulsion, pursuant to the procedures set out in Subsections 3.(10) and 3.(11) of this Chapter. If a student is found guilty of the illegal use, possession, and/or sale of a drug or narcotic on campus, the minimum penalty shall be suspension for one calendar year.

3.23 Each component institution of the U. T. System that enrolls students shall amend its Handbook of Operating Procedures to provide for the imposition of the minimum penalty set out in Subdivision 3.22 of this Section.

3.3

Individuals who are not currently enrolled at a component institution of The University of Texas System remain subject to the disciplinary process for conduct that occurred during any period of enrollment, and for statements, acts or omissions related to application for enrollment or the award of a degree.

- 3.4 The use of intoxicating beverages is prohibited in classroom buildings, laboratories, auditoriums, library buildings, museums, faculty and administrative offices, intercollegiate and intramural athletic facilities, and all other public campus areas; provided, however, that with the prior consent of the chief administrative officer, the foregoing provisions of this Section may be waived with respect to any specific affair which is sponsored by the institution. However, with respect

to the possession and consumption of alcoholic beverages, state law will be strictly enforced at all times on all property controlled by the System and its component institutions.

3.5 No former student who has been suspended or expelled for disciplinary reasons from a component institution of the System shall be permitted on the campus of any component institution during the period of such suspension or expulsion without the prior written approval of the chief administrative officer of that institution.

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3.6 Hazing in state educational institutions is prohibited by state law (Section 4.19, Chapter 4, Title I, Texas Education Code). Hazing with or without the consent of a student is prohibited by the System, and a violation of that prohibition renders both the person inflicting the hazing and the person submitting to the hazing subject to discipline.

3.7 Initiations by organizations may include no feature which is dangerous, harmful, or degrading to the student, and a violation of this prohibition renders the organization subject to discipline.

3.8 Any student who engages in speech, either orally or in writing, that is directed to inciting or producing imminent lawless action and is likely to incite or produce such action, is subject to discipline.

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3.9 Any student who, acting either singly or in concert with others, obstructs or disrupts, by force or violence, any teaching, research, administrative, disciplinary, public service, or other activity authorized to be held or conducted on the campus of a component institution of the System, or on any real property over which the System has possession and control, shall be subject to discipline, including expulsion. As used in this Subsection, the words "force or violence" include such acts as "stand-ins," "sit-ins," and "lie-ins," when such acts are in fact obstructive or disruptive of any of the authorized activities listed above.

- 3.(10) The Dean of Students shall have primary authority and responsibility for the administration of student discipline at each institution. It shall be the Dean's duty to investigate allegations that a student has violated the Regents' Rules and Regulations, the rules and regulations of the institution, or specific orders and instructions issued by an administrative official of the institution in the course of his or her duties.
- 3.(10)1 If the Dean of Students determines that such allegations are not unfounded, the Dean shall prepare a written statement of charges, a statement of the evidence supporting such charges, including a list of witnesses and brief summary of the testimony to be given by each, and shall send such charges and statement to the accused student by certified mail, return receipt requested, addressed to the address appearing in the registrar's records.
- 3.(10)2 In any case where the accused student does not dispute the facts upon which the charges are based and executes a written waiver of the hearing procedures specified in Subsection 3.(11), the Dean of Students shall assess a penalty pursuant to Subsection 3.(13) that is appropriate to the charges and inform the student of such action in writing. The minimum penalty that the Dean may assess when a student admits illegal use, possession, and/or sale of a drug or narcotic on campus is the penalty prescribed in Subdivision 3.22 of this Section. Except in cases involving the assessment of the minimum penalty prescribed in Subdivision 3.22 of this Section, the decision of the Dean of Students on penalty may be appealed as in the case of a decision rendered subsequent to a hearing in accordance with Subsection 3.(11). The appeal is limited to the issue of penalty and no transcript will be required.
- 3.(11) In those cases in which the accused student disputes the facts upon which the charges are based, such

charges shall be heard and determined by a fair and impartial person, hereinafter called the Hearing Officer, selected in accordance with procedures adopted by the institution. Except in those cases where immediate interim disciplinary action has been taken under authority of Subsection 3.(18), the accused student shall be given at least ten (10) days' notice of the date, time, and place for such hearing and the name of the Hearing Officer.

Hearings held under Subsection 3.(18) will be held under the same procedures set forth below, but will be held as soon as practicable within ten (10) days after the disciplinary action has been taken. Upon a hearing of the charges, the institutional representative has the burden of going forward with the evidence and the burden of proving the charges by the greater weight of the credible evidence. The hearing shall be conducted in accordance with procedures adopted by the institution and that assure both parties (institutional representative and the accused student) the following minimal rights:

- 3.(11)1 Both parties will exchange lists of witnesses and copies of documents to be introduced at a reasonable time prior to the hearing.
  - 3.(11)2 Each party shall have the right to appear and present evidence in person or through a designated representative or counsel of choice.
  - 3.(11)3 Each party, or his/her designated representative or counsel, shall have the right to cross-examine witnesses.
  - 3.(11)4 The hearing will be recorded. If either party desires to appeal the finding, the record will be transcribed and both parties will be furnished a copy of the transcript.
- 3.(12) The accused student may challenge the impartiality of the Hearing Officer at any time prior to the introduction of any evidence. The Hearing Officer shall be the sole judge of whether he or she can serve with fairness and objectivity. In the event the Hearing Officer disqualifies himself/herself, a substitute will be chosen in accordance with procedures adopted by the institution.
- 3.(13) (a) The Hearing Officer shall render and send to both parties a written decision which shall contain findings of facts and conclusions as to the guilt or innocence of the accused student and shall assess a penalty or penalties in accordance with the published disciplinary penalties of the institution or in accordance with the following prescribed penalties:

- 3.(13)1 Disciplinary probation.
- 3.(13)2 Withholding of grades, official transcript or degree.
- 3.(13)3 Bar against readmission.
- 3.(13)4 Restitution or reimbursement for damage to or misappropriation of institutional property.
- 3.(13)5 Suspension of rights and privileges, including participation in athletic or extracurricular activities.
- 3.(13)6 Failing grade.
- 3.(13)7 Denial of degree.
- 3.(13)8 Suspension from the institution for a period of time not to exceed one calendar year.
- 3.(13)9 Expulsion from the institution for a specific period of time not less than one year. Expulsion may be permanent.
- 3.(13)10 Revocation of degree and withdrawal of diploma.
- 3.(13)11 Other penalty as deemed appropriate under the circumstances.

(b) If a Hearing Officer finds a student guilty of the illegal use, possession, and/or sale of a drug or narcotic on campus, the Hearing Officer must assess a minimum penalty of suspension for one calendar year as provided in Subdivision 3.22 of this Section.

- 3.(14) Within fourteen (14) days after the decision has been mailed to the parties, either or both parties may give notice of appeal to the chief administrative officer of the institution. The decision or decisions will be reviewed upon the basis of the transcript of the hearing. Both parties may, at the discretion of the chief administrative officer, submit oral or written arguments to support their position. In order for the appeal to be considered, all the necessary documentation to be filed by the appealing party, including written arguments, when appropriate, must be filed with the chief administrative officer within twenty-one (21) days after notice of appeal is given.

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3. (15) The chief administrative officer of the institution may approve, reject, or modify the decision in question, or may require that the original hearing be reopened for the presentation of additional evidence and reconsideration of the decision. It is provided, however, that if the finding as to guilt is upheld in a case involving the illegal use, possession, and/or sale of a drug or narcotic on campus, the penalty may not be reduced below the minimum penalty prescribed by Subdivision 3.22 of this Section.

The action of each reviewing authority shall be communicated in writing to the accused student and the Dean of Students. The decision of the chief administrative officer shall be the final appellate review.

3. (16) Through matriculation at an institution of the System, a student neither loses the rights nor escapes the responsibilities of citizenship. Students who violate the law may incur penalties prescribed by civil authority, but institutional penalties shall not be used merely to duplicate the penalties imposed by civil authority. However, when a student violation of the law occurs on the campus of a component institution or in connection with a component institution-oriented activity, institutional penalties may be imposed regardless of whether penalties have been imposed by civil authority for the same offense.
3. (17) Since the value of an academic degree depends on the absolute integrity of the work done by the student for that degree, it is imperative that a student maintain a high standard of individual honor in his/her scholastic work. Scholastic dishonesty is the submission as one's own work of material that is not one's own. As a general rule, it involves one of the following acts: cheating, plagiarism, and/or collusion. Each component institution will adopt detailed regulations concerning scholastic dishonesty.
3. (18) The Dean of Students or the chief administrative officer of the institution may take immediate interim disciplinary action, including suspension pending a hearing, against a student for violation of a rule and regulation of the System or of the institution at which the accused is a student when the continuing presence of the student poses a danger to persons or property or an ongoing threat of disrupting the academic process. The Dean may authorize interim withholding of the student's grades, degree or official transcript when such withholding would be in the best interest of the institution.
3. (19) Each component institution shall maintain for every student who has been charged with dishonesty or other serious misconduct at such institution, a permanent written disciplinary record that shall reflect the nature of the charge, the disposition of the charge, the penalty assessed, if any, and any

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other pertinent information. This disciplinary record shall be separate from the student's academic record and shall be treated as confidential, and the contents shall not be revealed except upon request of the student or in accordance with applicable state or federal laws.

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3. (20) Every student is expected to obey all federal, state, and local laws and is expected to familiarize himself/herself with the requirements of such laws. Any student who engages in conduct that violates any provision of those laws is subject to disciplinary action, including expulsion, notwithstanding any action taken by civil authorities or agencies charged with the enforcement of criminal laws on account of the violation. If disciplinary action is taken, the Dean of Students shall proceed with action in the same manner as in the case of a violation of any other provision of these Rules and Regulations or a provision of any institutional rule.

3. (21) Pursuant to the authority conferred upon the Board of the System by Sections 51.202 and 51.204, Texas Education Code, and in order to protect the safety and welfare of students and employees of the component institutions of the System and to protect the property of the System, it is hereby declared that it shall be unlawful for any person to enter, walk, run, lie, play, remain, or be in the water of any fountain or other artificial body of water located on the campus of any component institution of the System unless such person shall have theretofore been granted permission by the administrative head of that institution to enter, remain, or be in such water.

It shall further be unlawful for any person to dump, throw, place, or cause to be placed any material, object, trash, waste, or debris in the water of any fountain or other artificial body of water located on the campus of any component institution of the System.

It shall also be unlawful for any person to damage, deface, or remove any portion of any fountain, monument, or memorial located on the campus of any component institution of the System.

Any person who violates any portion of this regulation shall upon conviction thereof be punished by a fine of not more than \$200.

Any student of a component institution who violates any portion of this regulation shall, in addition to the penalty prescribed in the last preceding Section, be subject to discipline, including expulsion, by the institution.

Sec. 4. Student Organizations.

- 4.1 An organization in which membership is limited to students (recognizing that faculty and staff may also be members) of a component institution may become a registered student organization at that institution by complying with the registration procedures established by the Dean of Students.
- 4.2 The Dean of Students, with the approval of the chief administrative officer may establish regulations requiring faculty or staff advisers for registered student organizations.
- 4.3 A registered student organization may state that its membership is composed of students, or of students, faculty, and/or staff, of a component institution, but it shall not suggest or imply that it is acting with the authority or as an agency of that institution. A student organization shall not use the name of a component institution or the name of The University of Texas System as a part of the name of the organization, and it shall neither display the seal of either a component institution or The

University of Texas System in connection with any activity of the organization nor use such seal or seals as a part of any letterhead, sign, banner, pamphlet, or other printed material that bears the name of the organization.

- 4.4 The Dean of Students, with the approval of the chief administrative officer, may issue regulations governing the eligibility of students for participation in organized activities.
- 4.5 At each component institution, an appropriate committee or committees shall have initial jurisdiction over all registered student organizations.
- 4.6 Any student organization is subject to disciplinary action or revocation of registration as a student organization for violation of a rule or regulation of the System and/or of the institution at which the organization is registered.
- 4.7 The administrative head of each component institution of the System shall require and enforce the following:
  - 4.71 As a condition to being a registered student organization or group during a semester, every registered student organization or group shall furnish to the appropriate institutional officer at the beginning of each such semester a complete list of officers or other members of the organization or group who are authorized to speak for or represent the organization or group in its relations with the institution and who are authorized to receive for the organization or group official notices, directives, or information from the institution. Each such list shall be kept current and accurate throughout the semester by the organization or group, and it shall be conclusively presumed that the officers or members whose names are on the list most recently filed by the organization or group are authorized to speak for and represent

the organization or group in its relations with the institution and are authorized to receive for the organization or group official notices, directives, or information from the institution.

4.72 No registered student organization or group may have any person as a member who is not either a student or a member of the faculty or staff of the institution. Except pursuant to the provisions of Section 6.5 of this chapter, no organization or group, whether registered or not, may use any facility of any component institution of the System if it has as a member any person who is not either a student or a member of the faculty or staff of the institution.

4.73 At the beginning of each semester, each registered student organization or group must file with the appropriate institutional officer an affidavit stating that the organization or group does not, and will not during the semester, have as a member any person who is not either a student or a member of the faculty or staff of the institution. If an organization or group fails or refuses to file the required affidavit, or if, after such reasonable investigation as the chief administrative officer shall deem appropriate (which investigation shall afford the accused registered organization or group every right guaranteed to it by the due process clauses of the United States and Texas Constitutions), the chief administrative officer shall during the semester find that the affidavit is or has become false, and that the organization or group does, in fact, have as a member a person who is not either a student or a member of the faculty or staff of the institution, the chief administrative officer shall immediately cancel the registered status of the organization or group and shall deny to the organization or group any and all privileges

- to which it would otherwise be entitled as a registered student organization or group.
- 4.74 No organization or group, whether registered or not, may use the facilities of any component institution as long as it owes a monetary debt to the institution and the debt is considered delinquent by the crediting institutional agency.
- 4.8 No component institution shall register any student organization or group whose actions or activities, in the opinion of the chief administrative officer or the appropriate Executive Vice Chancellor, are inimical to the educational purpose and work of the institution.
- 4.9 A registered student organization whose registered status has been cancelled by the chief administrative officer pursuant to Subsection 6.13 of Section 6 of this chapter or Subsection 4.73 of Section 4 of this chapter may apply for re-registration not less than six months following the date of such cancellation.

Sec. 5. Participation in Student Government.

- 5.1 Students' Associations.--Students' associations currently authorized at the component institutions of the System are hereby approved. They shall have such jurisdictions and shall exercise such powers as the Board may now or hereafter delegate to them.
- 5.11 Constitutions and Laws Approved.--The constitutions and laws of the several associations in force at the date of adoption of these Rules and Regulations are hereby approved.
- 5.12 Mode of Amending Constitutions and Laws.--An amendment to the constitution or laws of a students' association may be adopted by an association, in accordance with its constitution and laws, but the change shall not become effective until transmitted to and acted upon by the Dean of Students, the chief administrative officer and the Office of the Chancellor and approved by the Board.

- 5.13 Amendment or Repeal by Regents.--The Board shall amend or repeal any portion of the constitution and laws of a students' association when, in the judgment of the Board, the interests of the particular institution shall require it.
- 5.14 Amendment or Repeal by Dean of Students.--The Dean of Students shall have the power, when in his or her judgment the interests of the institution require it, to amend or repeal any provision in the constitution or laws of the particular association, but such action shall be in force only until the next meeting of the Board when Section 5.13, above, shall become applicable.
- 5.15 Salaried Employees Approved by Regents.--All persons officially employed on salary by or under the direct supervision of a students' association shall be subject to approval by the Dean of Students, the chief administrative officer, the Office of the Chancellor, and the Board, both as to salary and as to qualifications.
- 5.16 Annual Financial Reports.--Every officially recognized students' association shall make annually a complete financial report to the institutional business officer, and shall make such special reports as may be called for by such business officer. A duplicate copy of each report shall be filed with the Dean of Students. Committees and administrative units of a students' association maintaining a budget in excess of \$25.00 per annum shall make such interim reports of financial condition as may be required by the Dean of Students.
- 5.2 The students' association on each campus shall be a recognized forum of student opinion.
- 5.21 When a students' association takes a position with reference to issues directly related to a component institution and its operations, its recommendations shall go through the Dean of Students, the chief

- administrative officer, and the Office of the Chancellor to the Board.
- 5.22 When a students' association takes a position on non-University issues, it shall make clear the fact that it does not speak for the institution.
- 5.23 A students' association may conduct polls, initiate petitions, and/or establish forums for debate or discussion under conditions approved by the Dean of Students.
- 5.24 Officers of a students' association may so identify themselves when they express their personal views, but they shall then make it clear that they are not speaking for the institution, or for the student body, and they shall make it clear they are not speaking for the students' association unless the legislative body of that association has authorized the statement in advance.

Sec. 6. Use of University-Owned Facilities.

- 6.1 The campuses of the component institutions of The University of Texas System are not open for assembly and expression of free speech as are the public streets, sidewalks and parks. The responsibility of the Board of Regents to operate and maintain an effective and efficient system of institutions of higher education requires that the time, place, and manner of the exercise of the right of assembly and free speech on the grounds and in the buildings and facilities of the various component institutions be regulated. Acting pursuant to the general authority of Chapter 65 of the Texas Education Code and the specific authority of Subchapter E, of Chapter 51 of the Texas Education Code, the Board of Regents adopts and promulgates the Rules and Regulations of this Section and this Chapter relating to the use of institutional buildings, grounds and other facilities for purposes other than regular academic use.

No individual, organization, group, association, or corporation may use the grounds, buildings, or facilities of any component institution of The University of Texas System except as permitted by the provisions of the Rules and Regulations of the Board of Regents and the rules and regulations of the component institutions approved in accordance with such Regents' Rules and Regulations.

- 6.11 The term "solicitation" as used herein means the sale or offer for sale of any property or service, whether for immediate or future delivery; the receipt of or request for any gift or contribution; and the request that a vote be cast for or against a candidate, issue, or proposition appearing on the ballot at any election held pursuant to state or federal law.
- 6.12 No solicitation shall be conducted in any building, structure, or facility of any component institution of the System, provided, however, that the following activities shall be deemed not to be solicitations prohibited by this Subsection if they are conducted in a manner that will not disturb or interfere with the academic or institutional programs being carried on in a building, structure or facility, or do not interfere with entry to or exit from a building, structure or facility:
- (1) The sale or offer for sale of any newspaper, magazine, or other publications by means of a vending machine in an area designated in advance by the chief administrative officer or his or her delegate for the conduct of such activity.
  - (2) The sale or offer for sale of any food, drink or other product or service that may be lawfully sold by means of a vending machine operated by the institution or its subcontractor in an area designated in advance by the chief administrative officer or his or her delegate for the conduct of such activity.
  - (3) The sale or offer for sale of any publication of the institution or of any book or other printed material to be used in

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the regular academic work of the institution.

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(4) The operation by the institution, its subcontractor, or lessee (through appropriate written agreements approved as to content by the chief administrative officer of the institution and the Office of the Chancellor, as to form by the Office of General Counsel, and by the Board of Regents through the Docket of the Office of the Chancellor) of any bookstore, specialty store, laundry, pharmacy, cafeteria, state or federal credit union (the membership in which must be limited primarily to students, faculty, and staff of the institution but which may include: students, faculty, and staff of other area institutions of higher education; students, faculty, and staff of other component institutions of the U. T. System; staff members of U. T. System administration; and staff members of organizations closely related to the institution's educational mission such as ex-student organizations and cooperative bookstores), unmanned teller machines (any agreement for the placement of which must include a provision expressly prohibiting advertising the location of the unmanned teller machine to the general public), travel agency (the use of which must be limited primarily to students, faculty and staff of the institution and which agency must agree to undertake no public advertising concerning the location of the facility), or other service facility maintained for the convenience of the students, staff and/or faculty.

(5) The sale or offer for sale by the institution or its subcontractor of food and drink items and programs at athletic contests or at any other program or event sponsored or authorized by the institution.

(6) The collection of tuition and fees in connection with enrollment of a student in any course or degree program.

(7) The collection of membership fees or dues by registered student, faculty, or staff organizations at meetings of such organizations scheduled in accordance with the facilities use regulations of any component institution.

the regular academic work of the institution.

(4) (a) The operation by the institution of any service or facility maintained for the convenience of the students, staff and/or faculty.

(b) The operation by the institution's subcontractor or lessee (through appropriate written agreements approved as to content by the chief administrative officer of the institution and the Office of the Chancellor, as to form by the Office of General Counsel, and by the Board of Regents through the Docket of the Office of the Chancellor) of one of the following services or facilities, maintained for the convenience of the students, staff and/or faculty: any bookstore, specialty store, laundry, pharmacy, cafeteria, child care facility (limited to children or bona-fide dependents of students, staff and/or faculty), state or federal credit union (the membership in which must be limited primarily to students, faculty, and staff of the institution but which may include: students, faculty, and staff of other area institutions of higher education; students, faculty, and staff of other component institutions of the U. T. System; staff members of the U. T. System administration; and staff members of organizations closely related to the institution's educational mission such as ex-student organizations and cooperative bookstores), unmanned teller machines (any agreement for the placement of which must include a provision expressly prohibiting advertising the location of the unmanned teller machine to the general public), or travel agency (the use of which must be limited primarily to students, faculty and staff of the institution and which agency must agree to undertake no public advertising concerning the location of the facility).

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(5) The sale or offer for sale by the institution or its subcontractor of food and drink items and programs at athletic contests or at any other program or event sponsored or authorized by the institution.

(6) The collection of tuition and fees in connection with enrollment of a student in any course or degree program.

(7) The collection of membership fees or dues by registered student, faculty, or staff organizations at meetings of such organizations scheduled in accordance with the facilities use regulations of any component institution.

the regular academic work of the institution.

(4) The operation by the institution or its subcontractor (through appropriate written agreements approved as to content by the chief administrative officer of the institution and the Office of the Chancellor, as to form by the Office of General Counsel, and by the Board of Regents through the Docket of the Office of the Chancellor) of any bookstore, specialty store, laundry, cafeteria, state or federal credit union (the membership in which must be limited primarily to students, faculty, and staff of the institution but which may include: students, faculty, and staff of other area institutions of higher education; students, faculty, and staff of other component institutions of the U.T. System; staff members of U.T. System administration; and staff members of organizations closely related to the institution's educational mission such as ex-student organizations and cooperative bookstores), unmanned teller machines (any agreement for the placement of which must include a provision expressly prohibiting advertising the location of the unmanned teller machine to the general public), or other service facility maintained for the convenience of the students, staff and/or faculty.

(5) The sale or offer for sale by the institution or its subcontractor of food and drink items and programs at athletic contests or at any other program or event sponsored or authorized by the institution.

(6) The collection of tuition and fees in connection with enrollment of a student in any course or degree program.

(7) The collection of membership fees or dues by registered student, faculty, or staff organizations at meetings of such organizations scheduled in accordance with the facilities use regulations of any component institution.

(8) The collection of admission fees for the exhibition of movies or other programs that are sponsored by the component institution, a recognized faculty group, or a registered student organization, and are scheduled in accordance with the facilities use regulations of the component institution.

(9) The activities of any organization that can present to the chief administrative officer, or his or her delegate, written evidence from the Internal Revenue Service that the organization has been granted an exemption from taxation under 26 U.S.C.A. 501(c)(3) (Internal Revenue Code). No organization may solicit under Subdivision (9) of this Subsection for more than a total of fourteen days, whether continuous or intermittent, during each state fiscal year.

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(10) Occasional sales or offers of sales of goods or services that otherwise comply with state law and municipal ordinances and are conducted in the privacy of an individual university residence hall room or individual apartment when the resident of such room or apartment has given specific invitation in advance for salespersons to come to the individual residence hall room or individual apartment for that purpose, provided that neither sales nor offers of sales of goods or services within a university residence hall room or apartment by the occupant thereof on a continuing or scheduled basis, nor door-to-door sales or offers of sales of goods or services is included in the activity permitted by this exception.

6.13

No solicitation shall be conducted on the grounds, sidewalks, or streets on the campus of any component institution of the System, except by the agents, servants, or employees of that institution acting in the course and scope of their agency or employment, or by the students' association of that institution, or by a registered student, faculty, or staff organization at that institution.

(1) Solicitation made pursuant to the terms of Subsection 6.13 must be conducted in such a way (a) that it will not disturb or interfere with

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the academic or institutional programs being carried on in campus buildings, (b) that it will not interfere with the free and unimpeded flow of pedestrian and vehicular traffic on sidewalks and streets and at places of ingress and egress to and from campus buildings, and (c) that it will not harass, embarrass, or intimidate the person or persons being solicited. If, after such reasonable investigation as the chief administrative officer shall deem appropriate (which investigation shall afford the accused organization every right guaranteed by the due process clauses of the United States and Texas Constitutions) the chief administrative officer determines that a solicitation is being conducted in a manner violative of this Subsection, the chief administrative officer shall prohibit the offending organization from solicitation on the campus for such period or periods of time as shall be determined to be appropriate and in the case of repeated violations of these solicitation rules, the chief administrative officer may cancel the registered status of the offending organization.

- (2) The students' association and each registered student organization shall, within 30 days following the end of each academic semester or summer session, file with the chief administrative officer or his or her delegate a sworn statement fully and fairly disclosing the sources and amounts of money which it obtained from solicitations (sales and contributions) on the campus during the preceding semester or summer session and fully and fairly disclosing the beneficiaries and amounts of the expenditures which it made during the preceding semester or summer session. A registered student organization which during a semester

or summer session received no money or thing of value other than from its own members need file only a sworn statement to that effect. Any organization failing to comply with the provisions of this paragraph shall be prohibited from solicitation on the campus until such organization places itself in compliance.

- 6.14 Use of Physical Facilities of the System by Registered Student, Faculty or Staff Organizations.--Registered student, faculty or staff organizations may use an institution's buildings and/or grounds in compliance with reasonable and nondiscriminatory institutional regulations that shall specify the procedures under which such organizations may reserve the institution's buildings and/or grounds for their use. Groups of students, faculty or staff who are not registered may not use the institution's buildings and/or grounds. Registered student, faculty or staff organizations may not enter into joint sponsorship of any on-campus project or program with individuals, groups, or students that are not registered.
- 6.15 Reasonable and nondiscriminatory regulations may be promulgated to authorize students and registered student organizations, under specified conditions, to petition, post signs, set up booths, and/or peacefully demonstrate on the campus. Such regulations shall prohibit any activity that would interfere with academic and institutional programs.
- 6.16 No person, whether or not a student or employee of a component institution, shall publicly distribute on the campus of any such institution any petition, handbill, or piece of literature that is obscene, vulgar, or libelous, or that is directed to inciting or producing imminent lawless action and is likely to incite or produce such action.
- 6.17 No person, whether or not a student or employee of a component institution, shall post or carry any sign or poster that is obscene, vulgar, or libelous, or that is directed to inciting or producing imminent lawless action and is likely to incite or produce such action.

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- 6.18 No person, whether or not a student or employee of a component institution, shall install, occupy, or use on the campus of any such institution any booth, if the use of the booth is wholly or partly for the distribution or dissemination of words or material that is obscene, vulgar, or libelous, or that is directed to inciting or producing imminent lawless action and is likely to incite or produce such action. For the purpose of this provision, the word "booth" includes furniture, enclosure, and any other structure temporarily installed for distributing petitions, handbills, or literature, or for displaying signs, or for raising funds or soliciting tangible items.
- 6.2 The use of student center or student union facilities on the campus of each component institution shall be subject to reasonable and nondiscriminatory regulations as may be promulgated by that center's governing board and approved by the Dean of Students and the chief administrative officer.
- 6.3 Extracurricular student, faculty or staff activities involving the use of System-owned buildings and grounds shall be conducted in accordance with local, state and national law and in accordance with the applicable System and institutional regulations. Such activities shall not disrupt or disturb the academic and institutional program and shall not result in damage to or defacement of property.
- 6.4 Identification Required.  
(a) Pursuant to the authority conferred upon the Board of the System by Chapter 80, Acts of the 60th Legislature, Regular Session, 1967 (Section 51.209, Texas Education Code), and in order to protect the safety and welfare of students and employees of the component institutions of the System, and to protect the property of the System, it is hereby declared that it shall be unlawful for any person on any property either owned or controlled by the System or any component institution to refuse to identify himself

or herself to an institutional representative in response to a request. For the purpose of this Subsection, a person identifies himself or herself by: (1) giving his or her name and complete address; and (2) stating truthfully whether or not he or she is a student at the institution and whether or not he or she is an employee of the institution.

- (b) For the purpose of Subsection (a), an "institutional representative" is:
- (1) any member of the Board of the System or the Executive Secretary to the Board;
  - (2) any Executive or Chief Operating Officer of the System (the Chancellor, the Executive Vice Chancellor for Academic Affairs, the Executive Vice Chancellor for Health Affairs, and the Executive Vice Chancellor for Asset Management), any Administrative Officer of the System (the Executive Director for Finance and Administration, the Vice Chancellor and General Counsel, the Vice Chancellor for Governmental Relations, the Executive Director [Office of the Chancellor], and the Director of Development), and the following additional Officers: the Manager of University Lands - Oil, Gas, and Mineral Interests, the Manager of University Lands - Surface Interests, the Executive Director for Investments and Trusts, the Budget Director, the Comptroller, the Director of Accounting, the Director of Facilities Planning and Construction, the System Personnel Director, the Director of Police, and the Director of Public Information.
  - (3) any administrative officer of the component institution, including the chief administrative officer, any assistant to the chief administrative officer, any vice president, any Dean of Students, and any associate or assistant Dean of Students; and

- (4) any attorney, peace officer, or security officer of the System or the institution.
  - (c) Any person who refuses to identify himself or herself fully in accordance with Subsection (a) is guilty of a misdemeanor and upon conviction is punishable by a fine of not more than \$200.
  - (d) Any student who refuses to identify himself or herself fully in accordance with Subsection (a) is, in addition to the penalty prescribed in Subsection (c), subject to discipline, including expulsion, by the institution.
- 6.5 Use of Grounds and Physical Facilities by Outside Groups, the System as a Joint Sponsor.--Use of grounds and physical facilities of the System, especially auditoriums, gymnasiums, and large rooms, by outside individuals, groups or associations shall be subject to the following rules in which the "System" shall mean any component institution.
- 6.51 The System will not permit the unrestricted use by non-System groups of any of its facilities.
  - 6.52 The System will not enter into joint sponsorship of any project or program that is to result in private gain for the cooperating individuals, group or associations.
  - 6.53 The System, established as a public institution without regard to political affiliation or religious faith, cannot be a joint sponsor with any noncampus organization for political or sectarian gatherings. However, the appearance by or on behalf of a candidate for public office may be authorized under conditions prescribed by the Board in Section 7.2 of this Chapter.
  - 6.54 Whenever non-System groups share in the use of System buildings, it must be upon the invitation of the System and under its joint sponsorship, and with the further understanding that all the conditions governing such sponsorship are to be set by the System.

- 6.55 The System, when entering into joint sponsorship of any program or activity, assumes full responsibility for all details and reserves the right to approve all copy for advertising, as well as news releases.
- 6.56 The System will not enter into joint sponsorship of any program or activity in which the educational implications are not self-evident and which does not directly supplement the educational purposes of the System.
- 6.57 It shall be understood that the availability of the System's facilities for functions other than the institution's own activities is strictly subject to the needs and the convenience of the System, which are always to have priority in the scheduling of facilities.
- 6.58 In the case of programs for which the System is a joint sponsor with some other individual, group or organization, the fee to be paid by the co-sponsor will be a matter for negotiation in each case and will be specified in the agreement providing for the joint sponsorship.
- 6.6 Notwithstanding any other provisions of this chapter, the chief administrative officer of a component institution may designate specific facilities of a component institution, such as special events centers, conference centers, concert halls, theaters, or auditoria, as Special Use Facilities. The chief administrative officer shall cause to be prepared and submitted for approval, as a part of the Handbook of Operating Procedures of the institution, appropriate rules and regulations for the reservation and use of such designated Special Use Facilities. Such rules and regulations must restrict the reservation and use of such facilities in accordance with the following:
- 6.61 Designation as a Special Use Facility shall not constitute the facility as a public facility open to use by non-University persons, groups, associations, or corporations on a first come, first served basis.

- 6.62 Priority in the reservation and use of Special Use Facilities shall be given to activities and events sponsored by the component institution that are in furtherance of and related to the educational, cultural, recreational, and athletic programs of the institution.
- 6.63 As a lower priority, the institutional rules and regulations may provide for reservation and use of Special Use Facilities by non-University individuals, groups, associations or corporations, without the necessity of joint sponsorship by the institution. The institution shall establish rates to be charged for the use of the facility that will, at a minimum, insure recovery of that part of the operating cost of the facility attributable directly or indirectly to such non-University use. If the non-University user charges those attending an event any admission or registration fee, or accepts donations from those in attendance, the institution shall require the user to make a complete account of all funds collected and of the actual cost of the event. If the funds collected exceed the actual cost of the event, the non-University user shall be required to remit such excess funds to the institution as an additional charge for the use of the Special Use Facility.
- 6.64 Subject to all constitutional and statutory provisions relating to the use of state property or funds for religious or political purposes, and subject to Subsection 6.63, above, Special Use Facilities may be made available for religious and political conferences or conventions. Religious organizations applying for use of a Special Use Facility must submit written evidence from the Internal Revenue Service that the organization has been granted an exemption from taxation under Section 501(c)(3) of Title 26 of the United States Code [Internal Revenue Code]. Political organizations

applying for use of a Special Use Facility must present written evidence that the organization had candidates for either state, district, or local offices listed on the ballot at the last general election. A religious or political organization shall be permitted to use a Special Use Facility only one time during a calendar year.

6.65 The rules and regulations applicable to a Special Use Facility may provide procedures for the rental of space for display of advertising in designated areas inside the Facility that have been approved by the chief administrative officer of the component institution or his or her delegate, and by lighted displays on an electronic scoreboard. Such rules and regulations may further provide procedures for the sale of advertising space on ticket envelopes for events sponsored by the Facility and in any publication of the Facility distributed in connection with a sponsored event or announcing future sponsored events.

Sec. 7. Speech and Assembly.

7.1 Freedom of inquiry and discussion are basic and essential to intellectual development. However, these freedoms must be exercised in a manner that does not intrude upon or interfere with the academic programs and administrative processes of the System. Each component institution may designate one or more appropriate "free speech" areas on the campus where students may assemble and engage in free speech activities without prior administrative approval. In the absence of the designation of such "free speech" areas, all speech and assembly activities must be conducted in accordance with the provisions of this Chapter and the rules and regulations of the component institution.

Students, faculty or staff who are candidates for public office or who wish to campaign on behalf of a particular candidate or candidates may engage in conduct in behalf of such candidacy in the

designated "free speech" areas or in accordance with the provisions of Section 7.2 of this Chapter relating to off-campus speakers.

- 7.2 Off-Campus Speakers.--The Board has and reserves the right to regulate the presentation of guest speakers on the campus who are unaffiliated with the System or any component institution thereof (hereafter referred to as off-campus speakers).
- 7.21 Only registered student organizations, faculty or staff organizations, System-owned dormitories, and Student Government may present off-campus speakers on the campus.
- 7.22 The organization sponsoring an off-campus speaker has the responsibility of making clear the fact that the organization, not the institution, is extending the invitation to speak and that any views the speaker may express are his or her own and not necessarily those of the System or of any component institution.
- 7.23 An off-campus speaker is subject to all provisions of the Texas Civil Statutes.
- 7.24 Registered student organizations, faculty or staff organizations, University-owned dormitories, and Student Government may be permitted the use of System-owned facilities to present off-campus speakers on campus pursuant to the facilities' use regulations promulgated by the component institution and subject to the requirement that each component institution must submit to the Office of the Chancellor for approval as a part of its institutional Handbook of Operating Procedures a copy of all applicable facilities' use regulations, and no facilities' use regulations shall have any force or effect until it has been approved by the Office of the Chancellor and the Office of the General Counsel.
- 7.25 An application for the use of any System-owned facility must be made to the chief administrative officer, or his or her delegate, at least forty-eight hours before

the time the event is scheduled to take place.

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No person shall be permitted on any campus of the System to engage in speech, either orally or in writing, that is directed to inciting or producing imminent lawless action and is likely to incite or produce such action.

7.27

No off-campus speaker who is to be paid from state funds as consideration for his or her speech shall be permitted to speak on the campus of any component institution of the System unless the university facility in which the speech is to be delivered will be open to the public, including members of the news media, who will be entitled to record, videotape, or telecast live portions of the speech. The provisions of this subdivision do not apply to classes, seminars, symposia, and conferences intended for the use and benefit of students, faculty, staff and invited guests. No person may in any way obstruct or lessen in any way the opportunity for the audience to take the fullest advantage of the speech, including the opportunity to see and hear the speaker during the entire speech.

Sec. 8. Off-Campus Student Housing.-- The component institutions of the System will not extend Approved Housing status to any student residential units except those directly operated by the System. Each student at a component institution will have free choice in the selection of his/her non-University-operated residential accommodations, subject to parietal rules.

Sec. 9. University Policy in Regard to Debts of Students.

9.1 Neither the System nor any component institution is responsible for debts contracted by individual students or by student organizations. On the other hand, all students and student organizations are expected to conduct themselves honorably in all commercial transactions. Neither the System nor any component institution will assume the role of a collection agency except for monies owed to the

System or one of its component institutions, nor will the System nor any of its component institutions adjudicate disputes between students and creditors over the existence or the amounts of debts.

9.2 In the event of nonpayment to the System or one of its component institutions, one or more of the following actions may be taken: (a) a bar against readmission for the student, (b) withholding of the student's grades and official transcript, (c) withholding of a degree to which the student otherwise would be entitled.

- Sec. 10. Anonymous Publications.-- Anonymous publications are prohibited. Any student publishing or aiding in publishing, or circulating or aiding in circulating, any anonymous publication will be subject to discipline.
- Sec. 11. Negotiations Prohibited.-- Neither the chief administrative officer nor any officer in the Office of the Chancellor, nor any representative of either of them when dealing with disruptive activities, shall negotiate or attempt to negotiate with any person or persons engaged in any disruptive activity on the campus of any component institution of the System. When such a situation arises, the chief administrative officer or any officer in the Office of the Chancellor, or any representative of either of them, shall take immediate action to utilize all lawful measures to halt and eliminate any and all such disruptive activities that come to their attention.
- Sec. 12. Other Regulations Concerning Student Affairs are Reported in the Rules and Regulations of the Board, as follows:
- Fellowships, Scholarships, and Loan Funds - Part Two, Chapter I, Sec. 3.
- Tuition and Other Fees - Part Two, Chapter I, Sec. 5.
- Policy Against Discrimination - Part Two, Chapter I, Sec. 7.
- Auxiliary Enterprises - Part Two, Chapter X, Sec. 1-7.

Student Publications at The University of Texas at Austin -  
Part Two, Chapter X, Sec. 8.

The Texas Union at The University of Texas at Austin - Part  
Two, Chapter X, Sec. 9.

Employment of a Students Attorney - Part Two, Chapter X,  
Sec. 11.

CHAPTER VII

THE SYSTEM PRIVATE-FUND DEVELOPMENT AND FOUNDATIONS

Sec. 1. The System Private-Fund Development.

- 1.1 Responsibilities of the Board and Administrative Officials of the System in Private-Fund Development.
- 1.11 Among the most important responsibilities of the Board are those of establishing policies and procedures by which the developmental needs of the System and its component institutions can be determined and of directing vigorous efforts to attract private-fund support for meeting these needs.
- 1.12 The Chancellor is to serve as the Chief Executive Officer for Fund Development and as the agent of the Board for the discharge of development responsibilities. The Chancellor shall define for the Board, at periodic intervals, descriptions of current and future needs, as determined by the chief administrative officers and System administration, taking into account such needs as each component institution development board may have recommended.

Sec. 2. The Development Board of a Component Institution for Private-Fund Development.

- 2.1 With the approval of the chief administrative officer, the Office of the Chancellor, and the Board of Regents, any component institution may have a development board dedicated to its own unique interests. Such a development board is the agency responsible through the chief administrative officer to the Chancellor, and through him to the Board of Regents, for all private-fund development for that component institution. Each component institution development board shall determine its development needs and shall direct the formulation of plans and the promotion of support for its programs.

- 2.2 Responsibilities and duties of the component institution development boards:
- 2.21 The component institution development board is the agency responsible to the chief administrative officer of each institution for all private-fund development for that institution.
- 2.22 The component institution development board shall recommend through the chief administrative officer and the Office of the Chancellor to the Board of Regents the approval of current and long-range policies which shall govern activities and responsibilities in cultivating and securing private funds for the institution.
- 2.23 The component institution development board shall have responsibility:
- 2.231 For studying and developing total development needs of the component institution.
- 2.232 For coordinating and formulating plans and actively promoting support for both current and long-range programs to meet the developmental needs of the component institution.
- 2.233 For developing gift possibilities not related to predetermined projects.
- 2.234 For periodic reports of progress to the chief administrative officer and the Chancellor on the plans and programs of the component institution development board. It is expected that a continuing program of the component institution will include collection and dissemination of information regarding gifts and endowments.
- 2.235 At periodic intervals, the chief administrative officer shall lay before his development board descriptions of current development needs.

2.3 Composition and Operation of the Component Institution Development Board.--The component institution development board shall consist of members recommended and appointed by the chief administrative officer of each component institution with prior specific written approval of the Office of the Chancellor and the Board of Regents. Initial appointments to the component institution development board shall draw lots providing for one-third of the total membership to serve for one, two, or three-year terms. All terms following the initial appointment of the board will be for a three-year term. All terms shall officially begin on September 1. At least one member shall be nominated by the ex-students' association of that institution. The chief administrative officer and the Chancellor (or his delegate) shall be ex officio members with voting privileges. The component institution development board will elect a Chairman and such other officers as are appropriate from among its membership.

2.4 General Policies of the Component Institution Development Boards:

- 2.41 A component institution development board shall seek to enlist the aid of numerous friends of the institution in fund-development efforts, and may establish such committees and other groups as seem desirable in carrying out its program.
- 2.42 A component institution development board shall serve the individual component institution of the System to coordinate and assist in the plans and programs of that component institution with consideration of development interests of all component institutions in the System.
- 2.43 A component institution development board will work closely with the internal foundations of the component institutions. No internal foundations shall be established or continued in existence except with the

approval of the Office of the Chancellor and the Board of Regents. The chief administrative officer of each component institution shall be responsible for stimulating, guiding, and assisting the component institution development board and internal foundations of the component institution he heads and he may require suitable annual reports from each. All such activities shall be coordinated through the office of the chief administrative officer and the director of the component institution development board.

2.44 From time to time, special campaigns for specific objectives may be conducted, with or without the assistance of private fund-raising counsel. Such campaigns may originate upon recommendation by the Board of Regents, the Chancellor, the chief administrative officer with the concurrence of the Chancellor, or the component institution development boards. No such campaign shall be authorized or undertaken, however, until the Chancellor has advised the Board of Regents of his approval or disapproval and the campaign has been approved by the Board of Regents.

2.45 Notwithstanding the provisions hereof conferring authority upon and placing responsibility with the Chancellor for fund development and fund raising, it is understood that ex-students' associations of the System component institutions may engage in fund raising for their own support through dues and payments for memberships, both annual and life. However, it is expected that no such ex-students' association will sponsor or participate in any other organized fund-raising effort without first consulting and advising with the chief administrative officer and the Chancellor, and then receiving the approval of the Board of Regents.

- 2.5 Executive Office of a Component Institution  
Development Board:
- 2.51 Within the office of the chief administrative officer there may be appointed by the chief administrative officer, with the approval of the Office of the Chancellor, an executive director of the component institution development board. He is to be charged solely with fund-development activity, and subject to supervision, evaluation, and termination of employment by the chief administrative officer.
- 2.52 The executive director of the component institution development board shall have such staff and such operating funds as shall be determined from time to time by budgets recommended by the chief administrative officer, endorsed by the Office of the Chancellor, and adopted by the Board of Regents. Duties of staff members shall be established by the executive director.
- 2.6 Finances.--Financial support of the component institution development board and the executive director shall be provided exclusively by the budget of the institution. Such budgets will be made through established budgetary procedures. The Board of Regents may accept gifts designated for use by the component institution development board and may make such funds available for expenditure by said board.
- 2.7 Under the provisions of Section 4 of this Chapter a component institution development board may, but need not, have an associated internal foundation.

Sec. 3. The Advisory Councils of a Component Institution.

- 3.1 Establishment and Organization:
- 3.11 With the approval of the chief administrative officer of a component institution, the Office of the Chancellor, and the Board of Regents, any school, college, or other comparable teaching or research unit may have an advisory council dedicated to its own unique interests. Such

- an advisory council is responsible through the dean or director to the chief administrative officer of the component and through him to the component institution development board for all private funds developed for that school, college, or comparable unit. Each advisory council shall determine its development needs and shall direct the formulation of plans and the promotion of support for its programs.
- 3.12 An advisory council shall consist of members recommended by the dean or director of the school, college, or other approved unit and appointed by the chief administrative officer of the component institution with prior specific written approval of the Office of the Chancellor and the Board of Regents. Initial appointments to any advisory council shall draw lots providing for one-third of the total membership to serve for one, two, or three-year terms. All terms following the initial appointment of the board will be for a three-year term. All terms shall officially begin on September 1.
- 3.13 An advisory council may elect a chairman and other such officers as are appropriate from among its membership. The dean or director, and the chief administrative officer of the component institution, or his delegate shall be ex officio members with voting privileges.
- 3.2 Duties and Responsibilities:
- 3.21 An advisory council shall seek to enlist the aid of numerous friends of the school, college, or comparable unit in fund-development efforts, and may establish such committees and other groups as seem desirable in carrying out its programs.
- 3.22 An advisory council shall recommend through the dean or director or the component chief

administrative officer to the development board the consideration of current and long-range programs which shall secure private funds for the unit.

- 3.23 A component institution advisory council shall have responsibility within that school, college or comparable unit:
- 3.231 for studying and developing private fund needs;
  - 3.232 for coordinating and formulating plans and actively promoting support for both current and long-range programs to meet the developmental needs;
  - 3.233 for periodic reports of progress to the chief administrative officer of the component institution and the development board on the plans and programs of the advisory council; and
  - 3.234 for establishing a continuing program of collection and dissemination of information regarding gifts and endowments.
- 3.24 At periodic intervals, the dean or director shall lay before his advisory council descriptions of current development needs.
- 3.25 The work of all advisory councils shall be considered a part of the work of component institution development boards.

- 3.3 Under the provisions of Section 4 of this Chapter, an advisory council may, but need not, have an associated internal foundation.

Sec. 4. Internal Foundations.

- 4.1 Definition.--As used in this Chapter, the term "internal foundation" means a foundation created by resolution of the Board of Regents of The University of Texas System as set forth in Subsection 4.31. The term does not include any entity that is

incorporated under the laws of Texas or any other state and does not include any entity created by testamentary or inter vivos trusts. An internal foundation is an accounting and administrative mechanism in the name of which development boards and advisory councils may approach prospective donors. Internal foundations are under the jurisdiction and control of the Board of Regents and are governed by rules, regulations, policies and procedures promulgated by the Board.

4.2 Policies on Initiation and Operation.

4.21 An internal foundation may be established to benefit a component institution, or a school, college or other comparable teaching or research unit within a component institution upon the recommendation of a development board or an advisory council, after approval of the chief administrative officer of the component institution, the Office of the Chancellor, and the Board of Regents.

4.22 Divisions and departments below the level of a school, college, or other comparable teaching or research unit may effectively work as separate groups within the framework of the advisory council and internal foundation which represents a school or college or comparable teaching or research unit. Provisions for the designation of special funds to be used for specific activities within the framework of the various internal foundations and advisory councils will be made in order to avoid stifling the interest and initiative of these groups.

4.23 There shall be an annual review of the activities of each internal foundation to determine its effectiveness; and, if it is unproductive for an unreasonable length of time, it shall be dissolved.

4.24 Every effort shall be made to permit a free range of initiative within the internal foundations, and their associated development boards and advisory councils, but activities must be in conformity with

policies of the Board of Regents so as to permit maximum overall achievements in fund raising throughout the System.

- 4.25 All internal foundation funds shall be appropriately accounted for in University endowment and restricted fund accounts. As in the case of other University funds, authorization for expenditure of all funds in internal foundation accounts is vested in the Board of Regents. Except for those funds to be spent in accordance with the terms of Regental acceptance, authorization for expenditure normally will be obtained during the annual institutional budget approval process.

4.3 Establishment.

- 4.31 Standard Resolution. From and after October 24, 1980, the Board of Regents of The University of Texas System adopts the following standard resolution form with regard to the establishment and operation of internal foundations:

RESOLUTION OF THE BOARD OF REGENTS  
OF THE UNIVERSITY OF TEXAS SYSTEM

WHEREAS, there exists a clear and specific need for means to finance the program of ((name of school, college, or other component unit)) of The University of Texas ((name of component)), in addition to the regular budgetary provisions, and

WHEREAS, it is the desire of interested persons to set up the facilities to encourage and assist in such financing,

IT IS NOW RESOLVED, that the Board of Regents of The University of Texas System hereby establishes, the ((name)) Foundation of the ((name of school, college, or other component unit)) of The University of Texas ((name of component)).

AND FURTHER, that the purpose of the said Foundation shall be to foster the understanding and development of the programs of the ((name of school, college, or other component unit)) at The University of Texas ((name of component)), and to encourage the making of gifts to the Foundation by deed, grant, will or otherwise for any purpose appropriate to the work of the Foundation.

1. The funds of the Foundation shall be devoted solely to the enrichment of the academic programs of the (((name of school, college, or other component unit))) of The University of Texas (((name of component))) and shall not be used for the ordinary operating expenses of the (((name of school, college, or other component unit))).

2. A donation to the Foundation may be made for a specific purpose and may be given in the name of the donor or other designation specified by the donor or may be given as unrestricted funds.

3. The Board of Regents shall hold, manage, control, sell, exchange, lease, convey, mortgage or otherwise encumber, invest or reinvest, and generally shall have power to dispose of in any manner and for any consideration and on any terms the said gifts, funds, or property in their discretion and shall from time to time pay out of the income, or if the income be insufficient, out of the principal, all expenses of trust and all expenditures incurred in furthering the purposes of the trust.

4. Neither any donation to the (((name))) Foundation nor any fund or property arising therefrom in whatever form it may take shall ever be any part of the Permanent University Fund nor shall the Legislature have power or be in any way authorized to change the purposes thereof or to divert such donation, fund or property from those designated purposes.

5. As in the case of other University funds, authorization for expenditure of all funds from the Foundation shall be vested in the Board of Regents and recommendations for such expenditures shall be made by the (((appropriate title of chief administrative officer))) to the Office of the Chancellor and by the Office of the Chancellor to the Board of Regents of The University of Texas System.

4.32 Upon Regental approval of the standard resolution creating an internal foundation, the name of the foundation will be added to the list contained in Section 4.33 of this Chapter. The Executive Secretary to the Board of Regents shall prepare a copy of the standard resolution in appropriate form for the Chairman's signature and shall distribute a copy to the Office of the Chancellor and to the chief administrative officer of the component institution involved.

4.33 The following internal foundations are approved:

<u>Foundation</u>	<u>Date Established</u>
The University of Texas at Austin	
John Charles Townes Foundation (School of Law) <sup>1</sup>	6/27/42
Pharmaceutical Foundation of the College of Pharmacy	12/10/52
Fine Arts Foundation of the College of Fine Arts	12/1/50
Architectural Foundation of the School of Architecture	5/30/52
Genetics Foundation of the Zoology Department	3/28/52
College of Business Administration Foundation	5/29/53
The Psychological Research Foundation	5/29/53
Geology Foundation of the Depart- ment of Geology	10/24/53
Engineering Foundation of the College of Engineering	3/11/55
College of Education Foundation <sup>2</sup>	12/12/76
Social Work Foundation of the School of Social Work	10/1/66
Communication Foundation of the School of Communication <sup>3</sup>	1/31/69
Graduate School Foundation	3/26/76

*amended  
D-13-83*  
<sup>1</sup>Authorization to establish by order of the Board of Regents on  
July 9, 1941; Resolution of Operation adopted June 27, 1942;  
Resolution amended October 13, 1983

<sup>2</sup>Formerly Teacher Education Foundation - 9/22/56

<sup>3</sup>Formerly the Journalism Foundation of the School of Journalism  
established 1/10/59

Graduate School of Library Science Foundation	6/20/69	
College of Liberal Arts Foundation	7/11/80	
College of Natural Sciences Foundation	7/11/80	
Nursing Foundation of the School of Nursing	10/9/87	
<i>added 12/3/87</i> {	Longhorn Foundation	12/3/87
	Longhorn Associates for Excellence in Women's Athletics Foundation	12/3/87
The University of Texas System Cancer Center		
University Cancer Foundation	10/15/55	
The University of Texas at Arlington Foundation	1/28/67	
The University of Texas Medical Branch at Galveston Foundation	5/6/67	
The University of Texas at El Paso Foundation	7/29/67	

Sec. 5. Trust Foundations.

If accepted by the Board, foundations created by testamentary or inter vivos trust instruments are administered by the Board of Regents, the Chancellor, and the appropriate component chief administrative officer through the Office of Investments and Trusts in accordance with the terms of the instrument creating the foundation. Foundations in this category are internal in the sense that they are controlled by the Board of Regents as trustee and the assets are carried in University accounts. The following trust foundations are presently being administered:

<u>Trust Foundation</u>	<u>Date Accepted</u>
Hogg Foundation for Mental Health	7/16/39
Winedale Stagecoach Inn Fund*	3/25/65
Robertson Poth Foundation	12/31/67

\*Although this trust does not contain the word "foundation" in its name it is similar in all respects to the other trusts in this category.

Graduate School of Library Science Foundation	6/20/69
College of Liberal Arts Foundation	7/11/80
College of Natural Sciences Foundation	7/11/80
The University of Texas System Cancer Center	
University Cancer Foundation	10/15/55
The University of Texas at Arlington Foundation	1/28/67
The University of Texas Medical Branch at Galveston Foundation	5/6/67
The University of Texas at El Paso Foundation	7/29/67

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Winedale Stagecoach Inn Fund*	3/25/65
Robertson Poth Foundation	12/31/67

\*Although this trust does not contain the word "foundation" in its name it is similar in all respects to the other trusts in this category.

Sec. 6. Internal Corporations.

- 6.1 Definition.--As used in this Chapter, the term "internal corporation" means a nonprofit corporation chartered under the laws of the State of Texas:
- (1) under the Charter of which, the Board of Regents:
    - (a) acts as the Board of Directors or has the authority to appoint (or to approve or reject the appointment of) the Board of Directors; and
    - (b) has the authority to approve amendments to the charter and bylaws; and
  - (2) the funds of which are deposited and accounted for in appropriate University accounts.
- 6.2 An internal corporation is managed pursuant to its charter and bylaws and in accordance with the Regents' Rules and Regulations.
- 6.3 The following internal corporations are presently authorized:

<u>Internal Corporations</u>	<u>Date Chartered</u>
Houston Health Science Center Foundation, Inc.	4/27/70
The Aerospace Heritage Foundation, Inc.	9/7/78
Ima Hogg Foundation, Inc.	6/26/64
The University of Texas System Medical Foundation, Inc.	10/5/73
The University of Texas at Austin School of Law Continuing Legal Education, Inc.	8/17/81
The University of Texas at Austin School of Law Publications, Inc.	8/17/81

Sec. 7. External Nonprofit Corporations.

The Board of Regents recognizes that there are legally incorporated nonprofit organizations (most having the word "foundation" in their charter) whose sole purpose is to benefit The University of Texas System, its component institutions, or teaching, research, and other activities within those component institutions. These organizations are administered by boards of directors independent from the control and supervision of the Board of Regents. Accordingly, as is the case with other external organizations, no component institution, or department or school of a component institution, may accept or receive gifts or bequests from any such external organization until such gifts or bequests have been accepted and approved by the Board of Regents.

Sec. 8. Conflict of Interest, Performance of Services, and Use of University Facilities.

*Section added  
12/9/83*

- 8.1 Unless specifically authorized by law, no officer or employee of The University of Texas System or its component institutions shall accept remunerations from or serve as an officer, director, employee, or agent of an external non-profit corporation or an external entity that has as its primary objective the provision of funds or services for the furtherance of the purposes and duties of the System or its components.
- 8.2 No officer or employee of The University of Texas System or its component institutions shall act as the agent for any corporation, association, organization, partnership, or individual in the negotiation of the terms or conditions of any agreement relating to the provision of funds, services, or property to the System or its components by such corporation, association, organization, partnership, or individual.

8.3 The utilization of equipment, facilities or services of employees and officers of The University of Texas System or its component institutions by an external non-profit corporation or external entity that has as its primary objective the provision of funds or services for the furtherance of the purposes and duties of the System or its components shall be permitted only in accordance with a negotiated agreement that provides for the payment of adequate compensation for such equipment, facilities or services.

CHAPTER VIII

MISCELLANEOUS

Sec. 1. Naming of Buildings and Other Facilities.

- 1.1 Naming of Buildings.--Buildings of the System and its component institutions shall not be named in honor of any person until such person shall have been deceased at least five years. Recommendation to the Board of Regents regarding naming of buildings by the Office of the Chancellor and chief administrative officer shall be accompanied by reasons including appropriate input from the institutional faculty; provided, however, that the Board may act without receiving such recommendation when unusual circumstances justify such action and particularly when a substantial donation has been made toward the construction of the building to be named.
- 1.2 Naming of Facilities Other than Buildings.--Facilities other than buildings (e.g. laboratories, classrooms, seminar rooms, auditoria, concert halls, clinics, and patient rooms) may be named to memorialize and otherwise recognize substantial and significant donors, individuals designated by donors, or individuals who have made other significant contributions to the institution. Recommendations by the Office of the Chancellor and the chief administrative officer regarding the naming of such facilities shall be submitted to the Board of Regents for approval.
- 1.3 Naming of Facilities as Part of Special Private-Fund Development Campaigns.--When the naming of facilities other than buildings is contemplated as a part of a special private-fund development campaign, that campaign shall have prior approval of the Office of the Chancellor and the Board as required in Part One, Chapter VII, Subsection 2.44 of the Regents' Rules and Regulations. Recommendations by

the Office of the Chancellor and chief administrative officer regarding the naming of each facility included in a fund development campaign shall subsequently be submitted to the Board of Regents for approval.

Sec. 2. Flags at Half Mast.--Flags at any of the component institutions of the System shall be placed at half mast on the death of a Regent, the death of a member of the teaching or nonteaching staff, the death of a student in residence at the institution, or at such other times as may be deemed appropriate by the chief administrative officer.

Sec. 3. Medical and Hospital Services.--No health care services shall be provided by any component institution of the System to any person without compensation or reimbursement to the System, except that in the case of health care facilities operated by the System, which under the law are open to the general public, free or partly free health care services may be rendered to persons who are indigent and who are able to offer proof that they are not financially able to pay either all or any part of their health care expenses.

*Amended  
6/5/86*

Health components may accept patients for acute or continuing, or both, care without referral by another physician or agency. The patients are accepted for total and continuing care including the obligation to obtain the services of other physicians when indicated.

Sec. 4. Institutions and Entities Composing the System.--The System is composed of the component institutions and entities set forth below in paragraphs 4.1 et seq.; and such other component institutions and activities as may from time to time be assigned to the governance, control, jurisdiction, or management of the Board of the System. To insure uniformity and consistence of usage throughout the System, the component institutions and their respective entities shall be listed in the following order and the following titles shall be used:

	<u>Full Title</u>	<u>Short Title</u>
4.1	The University of Texas System Board of Regents, including The University of Texas Permanent University Fund	U.T. Board of Regents Permanent University Fund
4.2	The University of Texas System Administration	U.T. System Administration
4.3	The University of Texas at Arlington	U.T. Arlington
4.31	The University of Texas at Arlington School of Architecture and Environmental Design	
4.32	The University of Texas at Arlington College of Business Administration	
4.33	The University of Texas at Arlington College of Engineering	
4.34	The University of Texas at Arlington College of Liberal Arts	
4.35	The University of Texas at Arlington School of Nursing	
4.36	The University of Texas at Arlington College of Science	
4.37	The University of Texas at Arlington Graduate School of Social Work	
4.38	The University of Texas at Arlington Graduate School	

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|---------|---|---|
| 4.39    | The University of Texas at<br>Arlington Institute of<br>Urban Studies                         | U.T. Arlington<br>Institute of<br>Urban Studies |
| 4.4     | The University of Texas at Austin   | U.T. Austin                                     |
| 4.41    | The University of Texas at<br>Austin School of Archi-<br>tecture                              |   |
| 4.42    | The University of Texas at<br>Austin College of Liberal<br>Arts                               |   |
| 4.43    | The University of Texas at<br>Austin College of Natural<br>Sciences                           |   |
| 4.44    | The University of Texas at<br>Austin College of Business<br>Administration                    |   |
| 4.45    | The University of Texas at<br>Austin College of Commu-<br>nication                            |   |
| 4.46    | The University of Texas at<br>Austin College of Educa-<br>tion                                |   |
| 4.47    | The University of Texas at<br>Austin College of Engi-<br>neering                              |   |
| 4.48    | The University of Texas at<br>Austin College of Fine<br>Arts                                  |   |
| 4.49    | The University of Texas at<br>Austin School of Law  |   |
| 4.4(10) | The University of Texas at<br>Austin Graduate School of<br>Library and Information<br>Science |   |
| 4.4(11) | The University of Texas at<br>Austin School of Nursing  |   |
| 4.4(12) | The University of Texas at<br>Austin College of Pharmacy                                      |   |
| 4.4(13) | The University of Texas at<br>Austin Lyndon B. Johnson<br>School of Public Affairs            |   |
| 4.4(14) | The University of Texas at<br>Austin School of Social<br>Work                                 |   |

- 4.4(15) The University of Texas at Austin Graduate School
- 4.4(16) The University of Texas at Austin Marine Science Institute U.T. Austin Marine Science Institute
- 4.4(17) The University of Texas at Austin McDonald Observatory at Mount Locke U.T. Austin McDonald Observatory
- 4.5 The University of Texas at Dallas U.T. Dallas
- 4.51 The University of Texas at Dallas School of Arts and Humanities
- 4.52 The University of Texas at Dallas School of General Studies
- 4.53 The University of Texas at Dallas School of Human Development
- 4.54 The University of Texas at Dallas School of Management and Administration
- 4.55 The University of Texas at Dallas School of Natural Sciences and Mathematics
- 4.56 The University of Texas at Dallas School of Social Sciences
- 4.57 The University of Texas at Dallas Callier Center for Communication Disorders
- 4.6 The University of Texas at El Paso U.T. El Paso
- 4.61 The University of Texas at El Paso College of Business Administration
- 4.62 The University of Texas at El Paso College of Education
- 4.63 The University of Texas at El Paso College of Engineering
- 4.64 The University of Texas at El Paso College of Liberal Arts

*editorial  
amendment  
10/13/83*

- 4.65 The University of Texas at El Paso College of Nursing and Allied Health
- 4.66 The University of Texas at El Paso College of Science
- 4.67 The University of Texas at El Paso Graduate School
  
- 4.7 The University of Texas of the Permian Basin U.T. Permian Basin
  - 4.71 The University of Texas of the Permian Basin College of Arts and Education
  - 4.72 The University of Texas of the Permian Basin College of Management
  - 4.73 The University of Texas of the Permian Basin College of Science and Engineering
  
- 4.8 The University of Texas at San Antonio U.T. San Antonio
  - 4.81 The University of Texas at San Antonio College of Business
  - 4.82 The University of Texas at San Antonio College of Fine Arts and Humanities
  - 4.83 The University of Texas at San Antonio College of Social and Behavioral Sciences
  - 4.84 The University of Texas at San Antonio College of Sciences and Mathematics
  - 4.85 The University of Texas at San Antonio Lutcher Center U.T. San Antonio - Lutcher Center
  
- 4.9 The University of Texas at Tyler U.T. Tyler
  - 4.91 The University of Texas at Tyler School of Business Administration
  - 4.92 The University of Texas at Tyler School of Education and Psychology

- 4.93 The University of Texas at  
Tyler School of Liberal  
Arts
- 4.94 The University of Texas at  
Tyler School of Sciences  
and Mathematics
- 4.(10) The University of Texas Institute  
of Texan Cultures at San Antonio U.T. Institute of  
Texan Cultures -  
San Antonio
- editorial*  
*10/9/87* → 4.(11) The University of Texas Southwestern  
Medical Center at Dallas U.T. Southwestern  
Medical Center -  
Dallas
- 4.(11)1 The University of Texas  
Southwestern Medical  
School at Dallas U.T. South-  
western Medical  
School - Dallas
- editorial* → 4.(11)2 The University of Texas  
Southwestern Graduate  
School of Biomedical  
Sciences at Dallas U.T. South-  
western G.S.B.S. -  
Dallas
- 4.(11)3 The University of Texas  
Southwestern Allied Health  
Sciences School at Dallas U.T. Southwestern  
A.H.S.S. -  
Dallas
- 4.(12) The University of Texas Medical  
Branch at Galveston U.T. Medical  
Branch - Galveston
- 4.(12)1 The University of Texas  
Medical School at  
Galveston U.T. Medical  
School - Galveston
- 4.(12)2 The University of Texas  
Graduate School of Bio-  
medical Sciences at  
Galveston U.T. G.S.B.S. -  
Galveston
- 4.(12)3 The University of Texas  
School of Allied Health  
Sciences at Galveston U.T. Allied Health  
Sciences School -  
Galveston
- 4.(12)4 The University of Texas  
Marine Biomedical Insti-  
tute at Galveston U.T. Marine Bio-  
medical Insti-  
tute - Galveston
- 4.(12)5 The University of Texas  
Institute for the Medi-  
cal Humanities at Gal-  
veston U.T. Medical  
Humanities Insti-  
tute - Galveston
- 4.(12)6 The University of Texas  
Hospitals at Galveston U.T. Hospitals -  
Galveston

4.(12)7	The University of Texas School of Nursing at Galveston	U.T. Nursing School - Galveston
4.(13)	The University of Texas Health Science Center at Houston	U.T. Health Science Center - Houston
4.(13)1	The University of Texas Medical School at Houston	U.T. Medical School - Houston
4.(13)2	The University of Texas Dental Branch at Houston	U.T. Dental Branch - Houston
4.(13)3	The University of Texas Graduate School of Bio- medical Sciences at Houston	U.T. G.S.B.S. - Houston
4.(13)4	The University of Texas School of Allied Health Sciences at Houston	U.T. Allied Health Sciences School - Houston
4.(13)5	The University of Texas School of Public Health at Houston	U.T. Public Health School - Houston
4.(13)6	The University of Texas Speech and Hearing Institute at Houston	U.T. Speech and Hearing Insti- tute - Houston
4.(13)7	The University of Texas School of Nursing at Houston	U.T. Nursing School - Houston
4.(14)	The University of Texas Health Science Center at San Antonio	U.T. Health Science Center- San Antonio
4.(14)1	The University of Texas Medical School at San Antonio	U.T. Medical School - San Antonio
4.(14)2	The University of Texas Dental School at San Antonio	U.T. Dental School - San Antonio
4.(14)3	The University of Texas Graduate School of Bio- medical Sciences at San Antonio	U.T. G.S.B.S. - San Antonio
4.(14)4	The University of Texas School of Allied Health Sciences at San Antonio	U.T. Allied Health Sciences School - San Antonio

- |         |  |   |
|---------|--|---|
| 4.(14)5 | The University of Texas<br>School of Nursing at<br>San Antonio | U.T. Nursing<br>School - San<br>Antonio |
| 4.(15)  | The University of Texas M.D. Anderson<br>Cancer Center         | U.T. M.D. Anderson<br>Cancer Center     |
| 4.(15)1 | The University of Texas<br>M.D. Anderson Hospital              | U.T. M.D. Anderson<br>Hospital          |
| 4.(15)2 | The University of Texas<br>M.D. Anderson Tumor<br>Institute    | U.T. M.D. Anderson<br>Tumor Institute   |
| 4.(15)3 | The University of Texas<br>M.D. Anderson Science Park          | U.T. M.D. Anderson<br>Science Park      |
| 4.(16)  | The University of Texas Health<br>Center at Tyler              | U.T. Health<br>Center - Tyler           |
| 4.(17)  | The University of Texas System<br>Bauer House                  | U.T. Bauer House                        |

*amended  
4/14/88*

CHAPTER IX

ENACTMENT AND AMENDMENT

- Sec. 1. Repeal of Existing Rules in Conflict Herewith.--All rules, regulations, orders, and resolutions heretofore enacted by the Board which are in conflict with these Regents' Rules and Regulations are hereby repealed.
- Sec. 2. Format for Rules.
- 2.1 The Regents' Rules and Regulations for the government of the System apply to and govern the Board and all employees and agencies directly under its control, the Office of the Chancellor, the System Administration of The University of Texas System, and the component institutions comprising The University of Texas System.
- 2.2 These Regents' Rules and Regulations are organized in two parts. Part One shall, in general, contain all rules and regulations other than those of a fiscal nature. Part Two shall consist, in general, of the fiscal rules and regulations of the Board.
- Sec. 3. Official Copies.
- 3.1 The official copies of the Regents' Rules and Regulations and the Handbook of Operating Procedures for each component institution of the System shall be maintained on file in the Office of the Board of Regents.
- 3.2 Copies of these Regents' Rules and Regulations and of the Handbooks of Operating Procedures shall be furnished to members of the Board and such other persons and offices as the Board shall designate.
- Sec. 4. Amendment of Rules and Regulations.--The Regents' Rules and Regulations may be added to, amended, waived, or suspended by a majority of all of the members of the Board at any regular meeting or at any special meeting called for that purpose.

Sec. 5. Distribution of Amendments.--After any change in these Regents' Rules and Regulations, the Executive Secretary to the Board shall conform the Official Copies and shall send corrected pages containing such changes for substitution in copies in the possession of members of the Board, administrative officers, or others on an official list in the Office of the Board of Regents.

RULES AND REGULATIONS

OF THE

BOARD OF REGENTS

OF

THE UNIVERSITY OF TEXAS SYSTEM

FOR THE GOVERNMENT OF

THE UNIVERSITY OF TEXAS SYSTEM

PART TWO

Reissued as of September 1, 1982  
(with Amendments to April 14, 1988)

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CHAPTER I

GENERAL

Sec. 1. Gifts to The University of Texas System.

- Amended  
4/14/88*
- 1.1 The authority to accept gifts to the System or to any of the component institutions is vested in the Board.
  - 1.2 Recommendations for the acceptance of gifts showing details as to value, form, stipulations regarding use, and provisions for custody and disbursement of funds shall be transmitted by the chief administrative officer to the Office of the Chancellor and by that office, with recommendations, to the Board.
  - 1.3 Gifts to Permanent Endowments.
    - 1.31 All gifts to establish permanent endowments of any nature shall be accepted by the Board via the Agenda after review and recommendation by the Office of the Chancellor, including the Office of Asset Management, of the terms of the endowment and the nature of the donated assets. Gifts to a permanent endowment previously established by the Board may be accepted by the chief administrative officer of a component institution after review and approval by the Office of Asset Management of the nature of the donated asset.
    - 1.32 Permanent endowments will be established at a minimum funding level of \$10,000. Endowments may be established to fund scholarship programs and other educational activities as well as the endowed academic positions specified in Section 3 below.
    - 1.33 All endowment gifts are subject to the ensuing provisions:
      - 1.331 Should the Board determine at any time that the fund is not of sufficient size, and has no foreseeable prospects of growing to sufficient size to justify the continuing costs of maintenance of such fund as a separate fund, then in the Board's discretion the principal of such fund may be expended for or

otherwise devoted to the accomplishment, as near as may be possible, of the purposes for which the fund was established.

1.332 A permanent register of Memorial Gifts shall be maintained at each component institution to record gifts, or where the gift or donation is not specifically directed to a component, the register shall be maintained by System Administration.

*amended  
4/14/88*

1.4 Except as provided in other subsections of this Section, the authority to accept gifts to a component institution is delegated to the chief administrative officer when the gift is to a fund, foundation, or enterprise already approved by the Board or is a continuation of a series which has been previously approved by the Board. Each chief administrative officer, or a designee specified in writing, is empowered to accept cash gifts (except endowments) to a component institution of the System in the amount of \$25,000 or less and gifts in kind having a value of \$25,000 or less, within the policies of the Board and Legislature governing the acceptability of gifts, and to deposit such gifts to the appropriate accounts. All gifts (except those described in Subsection 1.5 below) shall be reported by the dockets of each component institution as prescribed by the Board.

1.5 A quarterly report of all such gifts of \$25,000 or less showing name and address of donor, amount of cash gift or value of gift in kind, purpose, and date of the gift shall be filed with the Board within thirty (30) days after August 31, November 30, February 28, and May 31 of each year. Such reports will summarize gifts of \$2,500 or less showing only total dollars and number of gifts.

1.6 Except as provided in this Section and the preceding Sections, no member of the staff of any institution has the authority to accept gifts to the System or to any of its component institutions. Gifts to the component institutions of books or other objects of very small value and very obvious propriety, without conditions attached, may be accepted by individual members of the staffs provided these gifts are reported to the Board as specified in Subsections 1.4 or 1.5 as appropriate.

- 1.7 Due to the inefficiencies and high costs associated with separately tailoring investment management programs for gifts that are investment-restricted, notwithstanding any other provision of this Chapter, a gift subject to investment restrictions shall be referred to the System Director of Development who shall review the terms of the gift instrument with the Office of Asset Management and the Office of General Counsel prior to acceptance of the gift and/or prior to its recommendation for acceptance by the U. T. Board of Regents.
- 1.8 Neither the System nor any of its component institutions will accept a gift for the benefit of any designated student unless the donor is exempt from Federal Income Taxes as defined by the Commissioner of Internal Revenue.
- 1.9 The acceptance of gifts of real property is prohibited without prior express approval of the Legislature except for establishing scholarships, professorships, or other trusts for educational purposes, provided that such property will not thereafter require legislative appropriations for operation, maintenance, repair, or construction of buildings (Current Appropriations Bill). Acceptance of all gifts of real estate shall be subject to the U. T. System Trust Fund Real Estate Policy Statement.

Sec. 2. Fellowships, Scholarships, and Loan Funds.

- 2.1 After gifts for fellowships, scholarships, and loan funds have been accepted by the Board, as indicated previously, they are administered jointly by designated committees and the business office of each component institution.
- 2.2 In the case of scholarships and fellowships, the appropriate committee, or designated individual, receives applications, makes the necessary inquiries, and determines the award. The committee advises the institutional head of the award who, in turn, approves and forwards the notice of award to the business office. Payments on scholarships and fellowships are made through the business office of the component institution.
- 2.3 In the case of loan funds, the appropriate committee or designated person receives applications for loans, makes the necessary inquiries, and approves or declines the original loan as well as all renewals and extensions. The chairman notifies the business

office of the granting of loans, and all records including notes, cash, accounts and collections are thereafter handled by that office. The principal of loan funds is kept intact insofar as possible. The chairman of the awarding committee may be requested by the business office to assist in collection of past due interest or principal.

Sec. 3. Endowment of Academic Positions.

- 3.1 No endowment will be established or announced without prior approval of the Board, and no initial appointment will be made to an endowed chair or professorship without prior approval by the Board via the Agenda. Subsequent new or continuing appointments to the endowed chair or professorship may be approved as a part of the annual operating budget or via the Docket of the Office of the Chancellor. Appointments to endowed fellowships may be approved via the Docket of the Office of the Chancellor, unless included as part of the annual budget approval process.
- 3.2 No negotiations or commitments implying the establishment of the endowment of an academic position will be undertaken by any faculty member or officer of the component institution until the proposal has been formally approved by the chief administrative officer.
- 3.3 Recommendations to the Board concerning acceptance of gifts for endowment of academic positions will be made through the Office of the Chancellor to the Board. Before the final action of the Board, such recommendations will be referred to the Land and Investment Committee as to fiscal arrangements and to the Academic or Health Affairs Committee as to policy.
- 3.4 The six categories of endowed and named academic positions and the minimum funding levels to establish the positions are: Distinguished University Chairs (\$2,000,000), Distinguished Chairs (\$1,000,000), Chairs (\$500,000), Distinguished Professorships (\$250,000), Professorships (\$100,000), and Fellowships (\$50,000). All agreements related to endowed academic positions made prior to April 14, 1988, will remain in effect unless a specific request for change is made by the donor and the institution and approved by the Board.
  - 3.41 Distinguished University Chairs, Distinguished Chairs, Chairs, Distinguished Professorships, and Professorships will be established with the minimum funding levels

authorized by the Board of Regents or the equivalent in annual contributions arranged according to agreements recommended by the Office of the Chancellor and approved by the Board. The component institution will pay from its funds such amounts as are necessary to set the salary of the holder at a level commensurate with his or her record, experience, and position in the faculty. The endowment income will be used both for salary supplementation and for other professional support of the holder of the endowed position, including assistance in the holder's research. The endowment income also may be used to pay an appropriate part of the salary of the holder of the endowed position commensurate with an authorized reduced faculty work load when required by other duties of the position or when the holder is on part-time or full-time research leave which is otherwise unfunded. It is provided specifically, however, that, in no event, will endowment income be used to supplant any other source of funds used to pay the base salary of the holder of the position when the holder is performing his or her regular duties.

3.42 Endowed Fellowships. The endowed fellowship will be established with a minimum of \$50,000 or the equivalent in annual contributions arranged according to agreements recommended by the Office of the Chancellor and approved by the Board of Regents. Income from the endowment may be used to supplement the salary of the holder of the fellowship, who may be a qualified person of any academic rank irrespective of tenure status, and will also be available for other professional support of the holder. The endowed fellowship will be used to provide temporary support (not to exceed one academic year) of distinguished scholars who are in temporary residence at the component while participating in planned academic programs; visiting scholars who are in temporary residence at the institution for special academic programs or purposes; component faculty who have made unique contributions to academic life or to knowledge in their academic discipline; and component faculty of any academic rank, irrespective of tenure status, who have been

selected for teaching excellence through procedures established by the component institution. Grants for endowed visiting professorships and endowed teaching fellowships of at least \$50,000 already under contractual agreement for the future, bequests included in wills made prior to April 14, 1988, and other prior bona fide arrangements for endowed teaching fellowships and endowed visiting professorships are excepted in this regulation. Grants for endowed lectureships of at least \$20,000 already under contractual agreement for the future, bequests in wills made prior to April 14, 1988, and other prior bona fide arrangements for endowed lectureships are excepted from the minimum amount restriction in this regulation.

3.43 Individual component institutions are not required to utilize all categories of endowed academic positions and may, with advance administrative approval and inclusion in the institutional Handbook of Operating Procedures, limit institutional endowment activity to those position categories which best fit the component goals and mission.

- Sec. 4. Tuition and Other Fees.--Tuition fees and other charges will be fixed as prescribed or as authorized by statute, and will be set out in the institutional catalogue.
- Sec. 5. Fiscal Year.--The fiscal year of the System shall be September 1 through August 31.
- Sec. 6. Policy Against Discrimination.--To the extent provided by applicable law, no person shall be excluded from participation in, denied the benefits of, or be subject to discrimination under, any program or activity sponsored or conducted by the System or any of its component institutions, on the basis of race, color, national origin, religion, sex, age, veteran status, or handicap.
- Sec. 7. General Admission Policy.
- 7.1 The System will make maximum use of its resources, subject to the limited enrollment policy of the Board, to admit and educate as many qualified students as possible, consistent with accreditation standards and consistent with maintaining a high quality of education. Neither the faculty nor students of any component institution will solicit or recruit for admission to that institution any

person who cannot meet the usual academic requirements for admission to that institution. Other than for the exceptions set forth in the General Appropriation Act, no funds appropriated by the Legislature, including local institutional funds, may be expended for the recruitment of students, whether qualified or unqualified. However, this provision does not prohibit the distribution of informational literature about an institution or a particular program in appropriate schools or among economic or social groups which might have a special interest in a particular institution or educational program. Such information might focus upon, but need not be limited to, programs for which there is a statewide need for graduates. Nor does it prohibit visits by students, faculty members, or administrators, upon request, with groups of high school or college students or other groups interested in information on higher education, a particular institution, or particular programs when such visits are supported by funds from gifts and bequests.

- 7.2 All Texas resident applicants to medical schools within the System shall be notified of their eligibility to apply to the State Rural Medical Education Board for financial assistance pursuant to Article 4498(c), Vernon's Civil Statutes. Article 4498(c) authorizes the Rural Medical Education Board to make loans, grants or scholarships to medical students who are contractually obligated to practice medicine in rural areas of the State. The notification will also inform applicants that they may seek financial assistance from the State Rural Medical Education Board at any time during medical school should they subsequently determine that they desire to enter the practice of medicine in a rural area. The fact that an applicant has contracted for a loan, grant or scholarship from the State Rural Medical Education Board will be considered by the admissions committee in the overall consideration of the applicant.

- Sec. 8. Admission of Nonresident Students.--No nonresident of the State of Texas shall be enrolled as a new or transfer student in any school, college, or degree-granting program at any component institution of the System when all of the three following conditions occur: (1) when there is a limitation on the number of students who will be enrolled in the class of which such nonresident would be a member if he or she were enrolled; (2) when the result of enrolling such nonresident would be to increase to greater than 10% the percentage of nonresidents

enrolled in the class of which such nonresident would be a member if he or she were enrolled; and (3) when at the time of the proposed enrollment of such nonresident, admission to the school, college, or degree-granting program is being denied to one or more Texas residents who have applied for admission and who reasonably demonstrate that they are probably capable of doing the quality of work that is necessary to obtain the usual degree awarded by the school, college, or degree-granting program. It is provided, however, that the nonresident enrollment at the School of Law, The University of Texas at Austin, may be equal to 15% of each class of which nonresidents are a part provided that the admission of such nonresidents is on the basis of academic merit alone.

Sec. 9. Official Seal, Colors, Flag, and Mascot.

9.1 The official seal of the System shall be the seal held in the custody of the Executive Secretary to the Board on which shall be inscribed "Seal of The University of Texas." The official seal of each component institution shall consist of the System seal with such heraldic variations as may be approved by the Board upon recommendation of the head of the component institution and the Office of the Chancellor. This official seal shall be used for the purpose of certifying diplomas, official transcripts for students and for such other official purposes as may be approved by the Board, by System Administration, or by the chief administrative officer of a component institution. Provided, however, that if any component institution has previously adopted and presently uses an institutional seal, such component institution may continue to use such seal in lieu of the seal hereby provided for. Provided further, however, no component institution shall use as its official seal that seal approved herein as the official seal of the System, unless the full title of the institution as designated in the Rules and Regulations of the Board, Part One, Chapter VIII, Section 4, is also used as an integral part of the seal.

9.2 The official colors for the System shall be orange and white; provided, however, that a component institution may adopt other colors to be used only in connection with athletic activities of the institution when approved by the Board upon recommendation of the chief administrative officer of the component institution and the Office of the Chancellor.

9.3 The Texas State Flag shall be designated as the official flag of the System, and the official flag of each component institution shall be the Texas State

Flag with a streamer with the official name of the component institution in white letters on an orange field. No component institution shall have or display as its official flag or as a flag representative or symbolic of the institution any other flag.

9.4 Each component institution may adopt a theme and a mascot to be used in connection with athletic activities, provided same is approved by the Board upon recommendation of the chief administrative officer of the component institution and the Office of the Chancellor.

Sec. 10. Appropriation Act Riders.--The System will comply with the provisions of the current General Appropriation Act insofar as applicable.

CHAPTER II

ACCOUNTING, AUDITING, REPORTING, AND BUDGETARY CONTROL

Sec. 1. Types of Funds.

1.1 Current Funds.

- 1.11 General.--General Funds are those unrestricted operating funds which are available for any purpose. Such funds are expended in accordance with the budgets and appropriations approved by the Board. General Funds balances shall not be reappropriated from one fiscal year to another unless specific approval is given by the Office of the Chancellor and the Board.
- 1.12 Auxiliary Enterprises.--Auxiliary Enterprises Funds are those funds set aside for operating entities which exist to furnish specified services to students, faculty, or staff, and which charge fees that are directly related to the cost of the service.
- 1.13 Designated.--Designated Current Funds are those funds designated for special activities by the System. The income and expenditures are ordinarily related to a particular department. Expenditures follow the same programs as are found in the General and Restricted Current Funds. Such funds are subject to the same budgetary restrictions as General Funds although balances are automatically reappropriated at the end of each fiscal year.
- 1.14 Restricted.--Restricted Current Funds are those received from federal and local governments, state agencies, individuals, foundations, corporations, etc., or income derived from endowments, to be used only for a particular purpose or project, specified by the donor, such as research, conferences, scholarships, fellowships, etc. The period

of use is usually designated in the agreement approved by the Board. The accounting for the funds will be on the accrual basis; however, in financial reporting, the amounts reported as revenues are limited to the expenditures. Unless otherwise specified, balances are automatically reappropriated at the end of each fiscal year.

- 1.2 Loan Funds.--Those funds that have been set aside for loans to be granted to students, faculty, or staff, including interest earned thereon.
- 1.3 Endowment and Similar Funds.
  - 1.31 Endowment Funds.--Those funds that donors have stipulated, as a condition of gift, that the principal is to be maintained inviolate in perpetuity, or in the case of "term" endowments to be maintained inviolate for a specified term. All endowment funds are administered by the Office of Investments and Trusts of System Administration as provided in Part Two, Chapter IX of these Rules and Regulations.
  - 1.32 Quasi-endowment Funds.--Funds functioning as endowment as a result of determination by the Board that they are to be retained and invested. All quasi-endowment funds are administered by the Office of Investments and Trusts of System Administration as provided in Part Two, Chapter IX of these Rules and Regulations.
- 1.4 Annuity and Life Income Funds.--Those funds acquired by the System subject to annuity contracts, living trust agreements, or gifts and bequests reserving life income to one or more beneficiaries. Such funds shall be administered by the Office of Investments and Trusts of System Administration.
- 1.5 Plant Funds.
  - 1.51 Unexpended Plant Funds.--Funds specified by the Board or by external sources for the acquisition, construction, or improvement of

- physical properties to be used for institutional purposes.
- 1.52 Renewals and Replacement Funds.--Funds specified by the Board or by external sources to be used for the renewal and replacement of plant fund assets. A regular source for such funds shall be the portion of indirect cost allowances represented by use charges on buildings, other improvements and equipment allocated to sponsored programs. (See also Part Two, Chapter XI, Section 7.)
- 1.53 Retirement of Indebtedness Funds.--Funds specified by the Board or by external sources to be set aside to meet debt service charges and the retirement of indebtedness on institutional plant assets. All such funds shall be administered by the Office of Investments and Trusts of System Administration.
- 1.54 Investment in Plant Funds.--Funds invested in physical properties to be used for institutional purposes.
- 1.6 Agency Funds.--Those funds received and held by the System as custodian or fiscal agent for others. Agency funds shall be expended in accordance with the limitations of the agency agreement.

Sec. 2. Accounting.

- 2.1 The financial records of the System shall be kept as nearly as practicable in accordance with the recommendations set forth in "College and University Business Administration, Third Edition," (1974) published by the National Association of College and University Business Officers. Where those recommendations conflict with statutes or with regulations of the Coordinating Board, Texas College and University System, the latter shall be controlling.
- 2.2 All accounting records and procedures shall be subject to the approval of the chief business

officer and the Executive Director for Finance and Administration or his delegate.

- 2.3 The business office of each component institution shall be the central office for accounting control for all financial transactions of the institutions. The chief business officer shall confer with departmental and administrative officials and instruct them concerning the records of financial transactions to be kept by the departments, as indicated in the next subsection.
- 2.4 Each person directly responsible for a department or other administrative unit (hereinafter called "department head") shall keep an account of funds and property for which he is responsible, as detailed as necessary to supplement the business office records.
- 2.5 All expenditures must be in accordance with the approved institutional operating budget.
- 2.6 Statements of department or other administrative unit accounts shall be prepared monthly by the business office and shall be sent periodically to the department heads who will compare their records with those of the business office and report any differences promptly to the business office.
- 2.7 A person in each department or other administrative unit may be designated by the department head, with the approval of the chief business officer, to sign vouchers, requisitions, etc., in the absence of the department head. These designations shall expire upon receipt of notification by the accounting office in writing from the department head or upon termination or transfer of the designee from the department.

Sec. 3. Auditing.

- 3.1 The chief business officer is initially responsible for the preaudit of all business transactions as a part of the regular accounting procedures of the

business office and consistent with the system of internal control.

- 3.2 Postauditing shall be regularly performed with formalized audit programs developed by the chief business officer and the System Comptroller. Each institution is expected to maintain an internal audit staff to perform the basic postaudit functions and to augment the work of the System Comptroller's staff and the State Auditor, unless otherwise exempt from this requirement by the Executive Director for Finance and Administration.
- 3.3 The audit staff of the System Comptroller shall review and/or conduct postaudits of business activities at the component institutions. Such audits shall be conducted in accordance with accepted auditing standards, including necessary tests of the records. Written reports will be prepared for all such audits, calling attention to transactions which may not be in accord with legal requirements, System and institutional accounting principles, policies and regulations. The audit staff shall recommend corrective measures and procedures when appropriate.
- 3.4 The audit staff of the System Comptroller, in addition to the above duties, shall review the internal audit programs of the component institutions, and shall conduct procedural studies and make recommendations for effective, and insofar as practical, uniform systems of accounting and reporting for all component institutions of the System.
- 3.5 The State Auditor, under State law, is responsible for the external audits of the books of the System.

Sec. 4. Reporting.

- 4.1 All financial reports shall be prepared in accordance with the provisions of the statutes, official directives of the Coordinating Board, Texas College and University System, and directives of the Board, and in conformity with the manual, "College

and University Business Administration, Third Edition," (1974) referred to above. The reports shall be prepared by the chief business officer and approved by the System Comptroller.

- 4.2 Two reports, both of which shall be prepared under the direction of the chief business officer and the System Comptroller, shall be prepared annually:
- 4.21 Annual Financial Report.--As required by law, printed financial reports, in the format recommended in "College and University Business Administration, Third Edition," (1974), or its successor publication, shall be filed with the Coordinating Board, Texas College and University System and other State offices as specified by law.
- 4.22 Salary Payment Report.--On or before December 31, each year, an itemized report in format prescribed by System Administration shall be prepared of salaries and wages paid all employees for services during the preceding fiscal year out of any funds from any source or character under the control and/or custody of the Board, listing for each employee the total amount paid from each source during the twelve months of the fiscal year, the title of the position held or kind of service rendered. Copies of this report shall be furnished the Executive Secretary to the Board, the System Budget Director, and the System Comptroller.
- 4.3 Monthly financial reports, in the form prescribed by the System Comptroller, shall be prepared by each institutional chief business officer and distributed to the chief administrative officer, the Executive Secretary to the Board, the System Budget Director, and the System Comptroller. Copies of such monthly reports, verified under oath, shall be furnished semiannually to the Governor.

Sec. 5. Operating Budgets.

- 5.1 Operating Budgets for all the component institutions shall be approved annually by the Board within the budget estimates of income prepared by the chief business officer and the chief administrative officer and approved by the Office of the Chancellor.
- 5.2 General policies for the budget preparation shall be recommended by the Office of the Chancellor to the Board and shall be followed in preparing the budgets. Instructions for details of budget preparation shall be furnished to the chief administrative officers by the Office of the Chancellor.
- 5.3 The institutional chief administrative officer shall issue local instructions and shall furnish forms to the budget-recommending officials. Their recommendations for salaries, maintenance and operation, equipment, travel, and other pertinent items shall be reviewed by the chief administrative officer. The budget as finally recommended by the chief administrative officer shall be forwarded to the Office of the Chancellor for further review and recommendation to the Board.
- 5.4 Rules and procedures for budget administration shall be prepared by the Office of the Chancellor, approved by the Board, and shall be included in the completed budgets.
- 5.5 A copy of each budget, and any subsequent amendment thereto, shall be filed by the Executive Secretary to the Board with the Legislative Reference Library to be available for public inspection, and also with such other State offices as required by law.

Sec. 6. Legislative Budget Requests.

- 6.1 Legislative budget requests, biennial or otherwise, as may be required shall be submitted to the Coordinating Board, Texas College and University System, to the Legislative Budget Board, and to the

Governor's Budget and Planning Office in the form and at the time prescribed.

- 6.2 These legislative budget requests shall be prepared in conformity with the same general procedures, as outlined above in Section 5, for the annual budgets in the following sequence:
- 6.21 Approval of budget request writing policies by the Board upon recommendation of the Office of the Chancellor.
  - 6.22 Preparation of a recommended budget request of expenditures by the chief administrative officer in conformity with these policies.
  - 6.23 Approval of the completed budget request by the Office of the Chancellor and the Board.

CHAPTER III

RECEIPT, CUSTODY, AND DISBURSEMENT OF MONEYS; ABSENCE  
FROM USUAL AND REGULAR DUTIES INCLUDING TRAVEL

Sec. 1. Receipts, Admission Tickets, and Charges.

- 1.1 No department, division, or individual staff member is authorized to receive money in the name of a component institution of the System unless authorized by the chief business officer and chief administrative officer.
- 1.2 An official receipt in the form prescribed by the chief business officer shall be issued to payors for all moneys received unless the chief business officer has specifically authorized exceptions for certain types of collections.
- 1.3 All moneys received shall be recorded and handled under appropriate internal accounting controls.

1.4 Admission tickets, including complimentary tickets, shall have the price of admission indicated thereon, and all such tickets shall be prenumbered, except for certain events where the section, row, and seat number are shown. Admission tickets and coupon books shall be purchased for delivery to the institutional business office and issued to the department concerned. Unused tickets or books shall be returned along with a prescribed ticket report to the business office within 30 days from the date of the event, and a list showing the names of all persons receiving complimentary tickets shall be a part of the prescribed ticket report. The chief business officer may authorize an exception to the 30-day time limit for submitting ticket reports for a specified event or series of events, provided that the exception must be in writing, and must specify both the reason for the exception and the alternate due date for those ticket reports.

*Amended  
12/3/87*

1.5 All unpaid (including complimentary, free, or discounted) charges for sales or service of auxiliary enterprises, organized activities, or service departments or similar activities shall be reported to and recorded by the chief business officer or his delegate under appropriate internal

accounting controls. A list or other documentation showing the authorization and names of all persons receiving complimentary, free, or discounted goods or services and the values thereof shall be furnished the business office within 30 days from the date such goods were issued or such services were rendered by any auxiliary enterprise, organized activity, or service department or similar activity.

Sec. 2. Deposits with Institutional Business Office.

- Amended  
2/4/86*
- 2.1 Money received by all departments from all sources shall be deposited, using an official form, in the institutional business office, unless depositing directly to a special bank account has been specifically authorized by the System Comptroller. The deposits shall be daily if the receipts are \$200 or more, and weekly even if the accumulation is less than \$200. Except for mail deposits authorized under Subdivisions 2.11 and 2.12, the deposit shall be made in person by a departmental representative to whom an official receipt is issued.
- 2.11 Mail deposits by on-campus departments are authorized if the amount of each deposit is less than \$100 and does not contain cash (currency).
- 2.12 Mail deposits by off-campus activities are authorized if such deposit does not contain cash (currency).
- 2.2 Departments or activities mailing deposits shall maintain adequate record of such deposits, including detailed description of negotiable instruments.
- 2.3 Cash overages or shortages shall be reported to the business office with each deposit. Cash overages shall be deposited in the business office.
- 2.4 Petty cash funds shall be provided only on approval of, and by arrangement of, the department with the chief business officer. Special petty cash fund bank accounts may be established only with the approval of the System Comptroller.

accounting controls. A list or other documentation showing the authorization and names of all persons receiving complimentary, free, or discounted goods or services and the values thereof shall be furnished the business office within 30 days from the date such goods were issued or such services were rendered by any auxiliary enterprise, organized activity, or service department or similar activity.

Sec. 2. Deposits with Institutional Business Office.

- 2.1 Money received by all departments from all sources shall be deposited, using an official form, in the institutional business office, unless depositing directly to a special bank account has been specifically authorized by the System Comptroller. The deposits shall be daily if the receipts are \$50 or more, and weekly even if the accumulation is less than \$50. Except for mail deposits authorized under Subsections 2.11 and 2.12, the deposit shall be made in person by a departmental representative to whom an official receipt is issued.
  - 2.11 Mail deposits by on-campus departments are authorized if the amount of each deposit is less than \$100 and does not contain cash (currency).
  - 2.12 Mail deposits by off-campus activities are authorized if such deposit does not contain cash (currency).
- 2.2 Departments or activities mailing deposits shall maintain adequate record of such deposits, including detailed description of negotiable instruments.
- 2.3 Cash overages or shortages shall be reported to the business office with each deposit. Cash overages shall be deposited in the business office.
- 2.4 Petty cash funds shall be provided only on approval of, and by arrangement of, the department with the chief business officer. Special petty cash fund bank accounts may be established only with the approval of the System Comptroller.

Sec. 3. Deposits with the State Treasurer.

- 3.1 The statutes and the current appropriations act require that all cash receipts of the general academic teaching institutions be deposited in the State Treasury with the exception of those from auxiliary enterprises, noninstructional services, matriculation fees collected in lieu of student activity fees, agency and restricted funds, endowment funds, student loan funds, and Constitutional College Building Amendment Funds.
- 3.2 Institutional receipts required to be deposited in the State Treasury shall be so deposited in the manner prescribed in the statutes and the current appropriations act.
- 3.3 Component institutions of the System are authorized by the current appropriations act to establish Revolving Funds under certain prescribed procedures to facilitate the payment of nominal expenses and to pay bills within cash discount periods, as well as for regular monthly payrolls, weekly, and special payrolls. Such Revolving Funds are authorized, subject to approval of the System Comptroller.

Sec. 4. Local Institutional Funds.

- 4.1 All local income not required to be deposited in the State Treasury must by law be deposited in official depository banks for safekeeping.
- 4.11 Depository agreements with official depository banks shall be negotiated, as necessary, by the System Comptroller with those banks approved by the Board and in accordance with the then current policies of the Board. Such depository agreements shall be executed by the Chairman of the Board.
- 4.12 Requests for authorized signatures, or changes thereto, for bank accounts maintained in all depository banks, shall be forwarded to the System Comptroller, who, after review and approval, shall refer such requests to the Executive Director for

Finance and Administration for notification of the banks concerned.

- 4.2 Depository banks selected shall furnish adequate surety bonds or securities to assure safety of these funds. Local funds shall be deposited in the depository banks as soon as possible, but in no event later than seven days from the date of collection. Demand deposits and time deposits will be maintained in accordance with the current policies of the Board.
- 4.3 The Board and the chief administrative officers may not, by law, borrow money from any person, firm, or corporation to be repaid from local funds except as specifically authorized by the Legislature.
- 4.4 Interest on Time Deposits.--As permitted by statute, interest received from depository banks for funds on time deposit shall be credited to appropriate accounts in either general funds or trust funds in relationship to the sources of balances on time deposit, provided that disposition of such earning was not specified by the grantor. Interest received from Current Restricted Funds (Trust Funds) time deposits shall be subject to further appropriation or transfer by the Board for any lawful purpose.

Sec. 5. Vouchers for Expenditures.

- 5.1 Properly approved and fully supported vouchers are the authorization for cash disbursements. The Chairman of the Board or his delegate or the chief administrative officer or his delegate must approve all vouchers. One of these delegates shall be the chief business officer who shall select the other delegates from his staff. Such approval is based upon satisfactory supporting documentation evidencing that goods or services were properly ordered, that the vendor has submitted invoice and certification, and that the goods or services have been received by the institution and are acceptable to the requisitioning department.

- 5.2 Appropriate internal accounting controls shall be exercised over the vouchering and disbursement procedures.
- 5.21 To the extent that centralized receiving facilities are available, delivery of all purchased supplies, materials, and equipment should be received at a centralized location under the direction of the chief business officer.
- 5.22 Vouchers should be prepared centrally in the business offices of those component institutions having centralized receiving operations.
- 5.3 Vouchers are to be coded in the business offices within the approved expenditure codes, and if payable by warrant drawn by the State Treasurer, with the proper expenditure classifications furnished by the State Comptroller, as well as complying with other current requirements of the State Comptroller and the State Purchasing and General Services Commission.
- Sec. 6. Cash Discounts.--The accounting procedures should be designed to assure realization of advantageous cash discounts allowed by vendors.
- Sec. 7. Outstanding Checks.--Outstanding checks shall be carried on the official accounting records for one year from the end of the month of issuance.
- Sec. 8. Institutional Membership Dues.--General funds of the System may be used to pay membership fees only in educational, scientific, or other associations, in which the System, or a component institution thereof, is an institutional member, with memberships approved by the chief administrative officers. Such other approvals as may be required by law shall also be secured.
- Sec. 9. Payrolls.
- 9.1 There are three general types of payrolls, those for (1) regular monthly salaried employees; (2) weekly salaried employees; and (3) hourly salaried employees.

- 9.2 All payrolls shall be prepared or verified in the business office from regular budgets, appointment documents, authorizations, time cards, or other documentation, and approved by the chief business officer or a person designated by him.
- 9.3 If payment for regular salaried employees is for less than a month, the salary calculated shall be figured proportionately on the basis of the actual number of working hours in such month.
- 9.4 Deductions for income tax, retirement, social security, and programs authorized by the Board, such as group insurance, are made where applicable on all payrolls.
- 9.5 Dates for distribution of salary checks vary at the component institutions and will be announced by the respective business offices.

Sec. 10. Absence from Usual and Regular Duties, Authorization for Absence, Including Travel, and Travel Expense Reimbursement.

- 10.1 Approvals of travel shall not be routine or perfunctory, but shall be made only after the chief administrative officer or his authorized representative have carefully examined the purpose and need for each trip with a view to the economic and effective utilization of all travel funds.
- 10.2 Approvals of travel by the chief administrative officer or his authorized representative shall be made only:
  - 10.21 When such travel is on state business, which shall include among other purposes, the formal presentation of original research by an employee before a national, international, regional, or state learned society; and
  - 10.22 When appropriate provisions are made to carry on the duties of the absent person without additional expense to the institution.

- 10.3 Authorization for Absence for Staff Members Whose Regular Duties Do Not Require Travel.--Authorization for absence from usual and regular duties, including travel from the city or town where the officer or employee is regularly stationed, will be granted by the Board, or by the administrative officer as hereinafter delegated by the Board, only in advance, as follows:
- 10.31 Requests for authorization to be absent for a period not in excess of two weeks (fourteen calendar days) shall be transmitted through proper administrative channels to the chief administrative officer of the component institution for approval.
- 10.32 Requests for authorization to be absent for a period in excess of two weeks, but not in excess of twenty-nine days, including travel on official business, shall be transmitted through proper administrative channels to the Office of the Chancellor for approval prior to such absence.
- 10.33 Requests for authorization to be absent for a period in excess of twenty-nine days, (excluding holidays approved by the Board), including travel on official business, shall be transmitted through proper administrative channels to the Office of the Chancellor for approval prior to such absence. Such approvals are to be reported in the regular dockets of the institutions affected.
- 10.34 Requests for authorization to be absent by the administrative officers and staff of System Administration shall be approved by the Chancellor, the Executive Vice Chancellor for Academic Affairs or the Executive Vice Chancellor for Health Affairs as appropriate.
- 10.35 Any travel that contemplates reimbursement from funds appropriated by the Legislature for travel expenses incurred must have the advance written approval of the Governor, with the exception of travel to, in, and from the several states, United States possessions, Mexico, and Canada.

- 10.36 In lieu of any of the delegations of authority to approve absence from usual and regular duties, including official travel, specified in the above subsections, the Office of the Chancellor may exercise such authority.
- 10.37 The chief administrative officers of the component institutions shall keep records of all approved absences which shall be available for review by the Office of the Chancellor and the Board, or their delegate.
- 10.4 Travel Expense Reimbursements.
- 10.41 Travel expenses shall be reimbursed only from funds appropriated or authorized for travel. The chief administrative officers shall plan the travel of all employees under their authority to achieve maximum economy and efficiency.
- 10.411 Each travel voucher submitted for reimbursement shall include such a description as to identify persons or places contacted and/or the nature of the official business of the State performed within the legal responsibilities of the institution. When recruiting of faculty and staff is involved, names of persons contacted are required.
- 10.412 In submitting travel vouchers for payment from funds in the State Treasury, component institutions should recognize the regulations of the State Comptroller with respect to such claims.
- 10.42 Travel vouchers for reimbursement of all official travel authorized pursuant to the foregoing provisions shall be approved and signed as follows:
- 10.421 System Administration.--  
Reimbursement for all travel by employees of the System Administration shall be approved by the Chancellor, the Executive Vice

- Chancellor for Academic Affairs, the Executive Vice Chancellor for Health Affairs or their delegates, or the Director of Accounting or Assistant Director of Accounting of The University of Texas at Austin.
- 10.422 Component Institutions.--Reimbursement for all travel by employees of the component institutions shall be approved by the Chancellor, the Executive Vice Chancellor for Academic Affairs, the Executive Vice Chancellor for Health Affairs, or by the institutional administrative officers designated below:  
chief administrative officer or chief business officer or other senior administrative or fiscal officers as may be delegated in writing by the chief administrative officer and the chief business officer. Such delegations shall be approved by the Office of the Chancellor and filed with the Executive Secretary to the Board and the State Comptroller of Public Accounts, together with the names of the individuals occupying the positions named.
- 10.43 Allowances for Meals and Lodging (including Per Diem), Transportation and Related Expenses.-- Provisions of the applicable current appropriations act and the Travel Regulations Act of 1959 (Article 6823a VTCS), as amended, shall govern such allowances.
- 10.431 Exceptions to Per Diem Allowance.--  
10.4311 Chief administrative officers shall be reimbursed for their actual meals, lodging, and incidental expenses (exclusive of expenses related to motor vehicles for which

transportation is paid) when traveling on official business either in or out of state.

10.4312 Partial Per Diem Allowance for Meals and Lodging.--An employee who is traveling on official University business for a continuous period of a minimum of six (6) hours but less than twenty-four (24) hours which does not involve over-night stay will be reimbursed a partial per diem for meals in lieu of actual expenses, for both in-state and out-of-state travel. The Office of the Chancellor shall prescribe such reimbursement within the limitations established by the current appropriations act.

10.4313 In addition to employees, these provisions apply to reimbursement of travel expenses for prospective employees as provided in the statutes.

10.432 Reimbursement for Dues or Membership Fees.--Reimbursement will not be allowed for dues or membership fees incurred in joining or attending any type of organization or association unless the membership is in the name of the State of Texas and/or the System or a component institution thereof. Such dues or membership fees will not normally be included for reimbursement on a travel claim, but will be separately approved and paid. (See Section 8.)

10.44 Special Exceptions to Foregoing Travel Provisions.-- The foregoing provisions apply to all employees and all funds but employees

may elect to take advantage of the specific exceptions authorized below:

10.441 Contracts.--Travel allowances under research or other contracts, which are 100 percent reimbursable, will follow the terms of the contract, and in the absence of specifications the travel rules and regulations covering payments from gifts, grants, and designated funds will apply.

10.442 Gifts, Grants, Designated and Auxiliary Enterprise Funds.--Reimbursement of travel expenses paid from gifts, grants, designated and auxiliary enterprise funds will be as follows:

(a) For grants from or derived from Federal or State agencies, travel allowances shall be paid as specified in the foregoing provisions.

(b) For other gifts, grants, designated, or auxiliary enterprise funds, travel allowances may be for actual expenses for meals and lodging not to exceed \$180 per day. The transportation allowances will be as specified in the foregoing provisions.

The provisions of both (a) and (b) above are subject to the terms, provisions and conditions of the particular gifts, grants, or funds involved. Further exceptions of these provisions may be in accordance with specific authorization by the Board with certain designated funds. Likewise, when anticipated living costs are unusually low for those engaged in travel, the person authorizing the travel may reduce the allowance for all or any part of the travel, provided that the employee shall be notified of such reduced allowance before being allowed to incur any expense. When not otherwise prohibited by the terms of the gift or grant, employees may also be reimbursed for

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required registration fees or similar expenses incurred in attending meetings of organizations or associations. Receipts for lodging, registration fees, or similar expenses shall be obtained and attached to the expense voucher. Project Directors, Principal Investigators, Departmental Chairpersons, or other authorized personnel under a gift or grant who travel in their personally owned airplanes on necessary official business may be reimbursed therefor as provided in the current appropriations act.

- 10.443 Intercollegiate Athletics.--Actual expenses will be paid at no per diem limit, provided such expenditures in the amount of \$4.00 or more are supported by signed receipts.
- 10.45 Travel Advances.--As provided by statute, the System, including component institutions may establish procedures for making advances for travel expenses incurred by employees in the exercise of their official duties. Any such procedures established shall be in accordance with the statute, based on guidelines provided by the State Comptroller, and provide for prompt recovery of any such advances.
- 10.46 Institutional Travel Regulations.--Component institutions shall issue institutional travel regulations to implement the provision of this Section 10.4 for guidance of all personnel concerned. Copies of all such regulations shall be filed with the System Comptroller, who shall also issue clarifying instructions as appropriate.

may elect to take advantage of the specific exceptions authorized below:

10.441 Contracts.--Travel allowances under research or other contracts, which are 100 percent reimbursable, will follow the terms of the contract, and in the absence of specifications the travel rules and regulations covering payments from gifts, grants, and designated funds will apply.

10.442 Gifts, Grants, Designated and Auxiliary Enterprise Funds.--Reimbursement of travel expenses paid from Gifts, Grants, Designated and Auxiliary Enterprise Funds will be as follows:

(a) For grants from or derived from Federal or State agencies, travel allowances shall be paid as specified in the foregoing provisions.

(b) For other gifts, grants, designated, or auxiliary enterprise funds, travel allowances may be for actual expenses for meals and lodging not to exceed \$120 per day. The transportation allowances will be as specified in the foregoing provisions.

The provisions of both (a) and (b) above are subject to the terms, provisions, and conditions of the particular gifts, grants, or funds involved. Further exceptions of these provisions may be in accordance with specific authorization by the Board with certain designated funds. Likewise, when anticipated living costs are unusually low for those engaged in travel, the person authorizing the travel may reduce the allowance for all or any part of the travel, provided that the

employee shall be notified of such reduced allowance before being allowed to incur any expense. When not otherwise prohibited by the terms of the gift or grant, employees may also be reimbursed for required registration fees or similar expenses incurred in attending meetings of organizations or associations. Receipts for lodging, registration fees, or similar expenses shall be obtained and attached to the expense voucher. Project Directors, Principal Investigators, Departmental Chairmen, or other authorized personnel under a gift or grant who travel in their personally owned airplanes on necessary official business may be reimbursed therefor as provided in the current appropriations act.

- 10.443 Intercollegiate Athletics.--Actual expenses will be paid at no per diem limit, provided such expenditures in the amount of \$4.00 or more are supported by signed receipts.
- 10.45 Travel Advances.--As provided by statute, the System, including component institutions may establish procedures for making advances for travel expenses incurred by employees in the exercise of their official duties. Any such procedures established shall be in accordance with the statute, based on guidelines provided by the State Comptroller, and provide for prompt recovery of any such advances.
- 10.46 Institutional Travel Regulations.--Component institutions shall issue institutional travel regulations to implement the provision of this Section 10.4 for guidance of all personnel concerned. Copies of all such regulations shall be filed with the System Comptroller, who shall also issue clarifying instructions as appropriate.

Sec. 11. Insurance on Money and Securities; Fidelity Bonds.

- 11.1 Insurance on Money and Securities.--As approved by the Board, the System carries a blanket System-wide policy insuring against loss of money or securities at any of the component institutions. The premium paid by each institution is separately computed and is based on the coverage applicable at each institution. At the time any loss occurs at any institution, the Executive Director for Finance and Administration shall be notified by the appropriate chief business officer and shall approve all loss claims and settlements. Any settlement over \$2,000 and under \$10,000 shall be reported to the Board for ratification. Settlements in the amount of \$10,000 or more must have the approval of the Board. Money and securities coverage may be combined with the blanket position fidelity bond.
- 11.2 Fidelity Bonds.
- 11.21 As approved by the Board, the System shall carry a blanket position (fidelity) bond that shall cover employees of all component institutions. All employees shall be covered in the amount of not less than \$5,000 each. For total coverage in excess of \$10,000, approval of the State Auditor is necessary.
- 11.22 The Secretary of State and the State Comptroller of Public Accounts shall be each furnished with an original of the bond.
- 11.23 The premium for the bond is prorated to the component institutions on the basis of the number of employees covered for which a premium charge is made and the excess coverage thereon.
- 11.24 At the time a loss occurs, the Executive Director for Finance and Administration shall be notified by the chief business officer and shall approve all loss claims and settlements. Any settlement over \$2,000 and under \$10,000 shall be reported to the Board for ratification. Settlements in the amount of \$10,000 or more must have the approval of the Board.
- 11.25 The blanket position fidelity bond coverage may be combined with money and securities coverage.

CHAPTER IV

PURCHASING

- Sec. 1. Authority to Obligate Institutional Funds.--The official purchasing agents of the component institutions shall have sole authority to obligate institutional funds for purchases of supplies, materials, services, and equipment unless otherwise provided in these regulations or otherwise specifically approved by the component chief administrative officer and the Office of the Chancellor or by the Board. No liability can be assumed for payment of obligations except those incurred in accordance with authority thus granted.
- Sec. 2. Purchasing Ethics.
- 2.1 First consideration shall be given to the objectives and policies of the System and its component institutions.
  - 2.2 Every effort shall be made to obtain the maximum ultimate value for each dollar of expenditure.
  - 2.3 Honesty in sales representation shall be demanded, whether offered through the medium of oral or written statement, an advertisement, or a sample of the product.
  - 2.4 Purchasing agents and their staffs and others authorized by or under these regulations to make purchases shall not accept personal gifts or gratuities that might in any way result in an obligation to individuals or firms seeking business.
  - 2.5 All qualified, reputable bidders shall be given equal opportunity to submit bids on a uniform basis when competition is possible.

2.6 No bidder shall receive special consideration or be allowed to revise his bid after the time set for opening bids.

2.7 Any violations of these purchasing ethics shall be reported promptly by the chief business officer to the Office of the Chancellor.

Sec. 3. Contacts with the State Purchasing and General Services Commission.--All contact, whether oral or written, with the State Purchasing and General Services Commission and with vendors are handled through the official purchasing agents and the divisions, departments, or offices to whom the purchasing function has been specifically delegated, unless advance written authorization is obtained from the purchasing agent or the chief business officer for other persons to do so.

Sec. 4. Purchases of Supplies and Equipment.

4.1 Unless otherwise provided in these Rules and Regulations or specifically approved by the Board, the State Purchasing and General Services Act of 1979 shall govern the purchasing policies of the System. ✓

*Aditorial changes only 8/12/83*

4.2 Under the provisions of the State Purchasing and General Services Act of 1979, purchases of the following items may be made without approval of the State Purchasing and General Services Commission:

- (a) Supplies, materials, services, and equipment for resale.
- (b) Supplies, materials, services, and equipment for Auxiliary Enterprises.
- (c) Supplies, materials, services, and equipment for Organized Activities Relating to Educational Departments.
- (d) Supplies, materials, services, and equipment purchased with gift and grant funds, including contract funds.

Sec. 5. Purchasing Procedures.

5.1 The official purchasing agent of each component institution shall promulgate procedures to facilitate and expedite the purchasing function. Such procedure shall be developed in accordance with

sound business practices and applicable state law. Purchasing procedures shall be implemented only after review and approval of the chief business officer.

- 5.2 Closed or noncompetitive specifications shall not be used except in unusual instances clearly justified as being essential to efficient operating performance. Reports of all such exceptions shall be maintained by the chief business officer.

Sec. 6.

Space Leases.

- 6.1 Space leases involving buildings paid from all fund sources must, by law, be approved by the State Purchasing and General Services Commission and may not extend beyond a ten-year period.
- 6.2 Proposals to the State Purchasing and General Services Commission for space leases require the advance approval of the Executive Director for Finance and Administration. The proposal must show type of space and purpose of its use, approximate number of square feet, location, whether janitor service and/or utilities will be furnished by the lessor, period of lease, and any other requirements set out by the Executive Director for Finance and Administration or the State Purchasing and General Services Commission.
- 6.3 A proposal shall be approved and the lease completed prior to occupancy of any space for office, storage, or other purposes. Lease documents are to be submitted to the Board through the institutional docket procedures.

Sec. 7. Purchases from Employees.--Purchases are not permitted from any officer or employee of the System unless the cost is less than that from any other known source and until approved by the component chief administrative officer, the Office of the Chancellor, and the Board. Details of such transactions shall be reported in the dockets or Minutes of the Board.

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- 5.2 Closed or noncompetitive specifications shall not be used except in unusual instances clearly justified as being essential to efficient operating performance. Reports of all such exceptions shall be maintained by the chief business officer.

Sec. 6. Space Leases.

- 6.1 Space leases involving buildings and paid from State appropriations must, by law, be approved by the State Purchasing and General Services Commission and may not extend beyond a ten-year period.
- 6.2 Proposals for space leases require the advance approval of the Executive Director for Finance and Administration. Lease contracts drawn in accordance with such approval shall be executed by the Executive Director for Finance and Administration, or his delegate, and submitted for ratification by the Board through the institutional docket.
- 6.3 A proposal shall be approved and the lease completed prior to occupancy of any space for office, storage, or other purposes. The proposal must show type of space and purpose of its use, approximate number of square feet, location, whether janitor service and/or utilities will be furnished by the lessor, period of lease, and any other requirements.

Sec. 7. Purchases from Employees.--Purchases are not permitted from any officer or employee of the System unless the cost is less than that from any other known source and until approved by the component chief administrative officer, the Office of the Chancellor, and the Board. Details of such transactions shall be reported in the dockets or Minutes of the Board.

CHAPTER V

PERSONNEL

Sec. 1. Classified Personnel.--The Policy of the Board on the Development and Coordination of the Classified Personnel Programs is and includes:

1.1 System Personnel Director.

The System Personnel Director serves as an administrative officer advising the Executive Director for Finance and Administration.

1.2 The development and coordination of the System-wide Classified Personnel Program.

1.21 The Classification Plan.

1.211 Coverage.--The Classified Plan of the System shall include all positions which do not entail significant instructional responsibilities or responsibilities for the administration of instructional or research organizations. The chief administrative officer (or his or her delegate) of each component institution shall determine the inclusiveness of the Classification Plan within this general definition.

1.212 Type of Plan.--Uniform use shall be made of the job grading procedure method of job evaluation. Job descriptions shall be prepared according to the Procedure for Writing Job Specifications provided by the System Personnel Office.

1.213 Job Titles.--Standardized job titles shall be used for similar job

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The System Personnel Director serves as an administrative officer advising the Executive Director for Finance and Administration.
  - 1.2 The development and coordination of the System-wide Classified Personnel Program.
    - 1.21 The Classification Plan.
      - 1.211 Coverage.--The Classified Plan of the System shall include all positions which do not entail significant instructional responsibilities or responsibilities for the administration of instructional or research organizations. The chief administrative officer or his delegate of each component institution shall determine the inclusiveness of the Classification Plan within this general definition.
      - 1.212 Type of Plan.--Uniform use shall be made of the job grading procedure method of job evaluation. Job descriptions shall be prepared according to the Procedure for Writing Job Specifications provided by the System Personnel Office.
      - 1.213 Job Titles.--Standardized job titles shall be used for similar job

classes common to two or more of the component institutions in order that a particular job title shall describe similar work to the extent possible. Classes unique to a component institution shall have suitable descriptive titles.

1.214 Job Code.--A uniform job code shall be used to designate job classes.

1.215 Job Descriptions.--Standardized job descriptions shall be used for similar job titles common to two or more component institutions when practicable.

1.22 The Pay Plan.

1.221 A uniform system of salary steps providing for an increase of approximately 3.4 percent, to the nearest dollar, above each preceding step shall be used for all pay plans. All salaries shall be on salary steps, or a fractional part thereof.

1.222 A System-wide Personnel Pay Plan setting forth the salary ranges for each job classification shall be utilized encompassing the salary ranges reflected in the component unit pay plans.

1.223 A classified employee appointed to a part-time paid teaching rank shall be paid at the rate applicable to each position.

1.224 Salary ranges for each job classification shall be dependent upon the competitive labor market situation for each institution.

1.23 The Policies and Rules.

1.231 Each institution shall operate its Classified Personnel Program under a policy statement covering the appointment, compensation, and

- working conditions of classified employees.
- 1.232 Formal approval of the policies and rules developed by each institution was obtained from the Board at the time each program was formally adopted.
  - 1.233 Changes in the policies and rules require the approval of the chief administrative officer or his or her delegate, the System Personnel Director, and the Executive Director for Finance and Administration.
  - 1.234 Uniform policies shall be followed in providing vacation, sick leave, etc., within the limitations imposed by local operating conditions.
- 1.24 Approval of additions to and changes in the Classified Personnel Program.
- 1.241 Formal approval of the Classification Plan and System-wide Personnel Pay Plan, including annual revision thereto, is obtained annually from the Board. Such approval shall be secured prior to the effective date of the plan.
  - 1.242 Changes in the Classification Plan and System-wide Personnel Pay Plan involving the following require only the approval of the chief administrative officer or his or her delegate, the System Personnel Director, and the Executive Director for Finance and Administration.
    - (a) Type A. Adjustment of a salary range in a component unit plan within the established System-wide salary range, which when approved, will not change the System-wide Personnel Pay Plan in any way.
    - (b) Type B. Adjustments to the component unit personnel pay plan, which when approved, will change the System-wide Personnel Pay Plan in some way.

- working conditions of classified employees.
- 1.232 Formal approval of the policies and rules developed by each institution was obtained from the Board at the time each program was formally adopted.
  - 1.233 Changes in the policies and rules require the approval of the chief administrative officer or his delegate, the System Personnel Director, and the Executive Director for Finance and Administration.
  - 1.234 Uniform policies shall be followed in providing vacation, sick leave, etc., within the limitations imposed by local operating conditions.
- 1.24 Approval of additions to and changes in the Classified Personnel Program.
- 1.241 Formal approval of the Classification Plan and System-wide Personnel Pay Plan, including annual revision thereto, is obtained annually from the Board. Such approval shall be secured prior to the effective date of the plan.
  - 1.242 Changes in the Classification Plan and System-wide Personnel Pay Plan involving the following require only the approval of the chief administrative officer or his delegate, the System Personnel Director, and the Executive Director for Finance and Administration.
    - (a) Type A. Adjustment of a salary range in a component unit plan within the established System-wide salary range, which when approved, will not change the System-wide Personnel Pay Plan in any way.
    - (b) Type B. Adjustments to the component unit personnel pay plan, which when approved, will change the System-wide Personnel Pay Plan in some way.

- (1) Deletion of title
  - (2) Change in title only
  - (3) Change in code number only
  - (4) Addition of a title to a component unit pay plan that is in the System-wide Plan and the salary range requested is within the established System-wide salary range.
- 1.243 Changes in the Classification Plan and System-wide Personnel Pay Plan involving the following must have approval of the chief administrative officer or his or her delegate, the System Personnel Director, and the Executive Director for Finance and Administration. In addition, such changes require ratification of the Board through the docket procedure.
- (a) The addition of a title to a component unit pay plan which is not included in the System-wide Plan.
  - (b) The addition of a title to a component unit pay plan which is included in the System-wide Plan, but the salary range being proposed is not within the established System-wide salary range.
  - (c) Adjustment of a salary range in a component unit pay plan that would change the established System-wide salary range.
- 1.25 Institutional Personnel Officer.
- 1.251 The chief business officer of each institution shall designate an institutional personnel officer to be responsible for the development and operation of the Classified Personnel Program.
- 1.252 Functional direction and help on technical personnel matters shall be provided each institutional personnel officer by the System Personnel Director.

- (1) Deletion of title
- (2) Change in title only
- (3) Change in code number only
- (4) Addition of a title to a component unit pay plan that is in the System-wide Plan and the salary range requested is within the established System-wide salary range.

1.243 Changes in the Classification Plan and System-wide Personnel Pay Plan involving the following must have approval of the chief administrative officer or his delegate, the System Personnel Director, and the Executive Director for Finance and Administration. In addition, such changes require ratification of the Board through the docket procedure.

- (a) The addition of a title to a component unit pay plan which is not included in the System-wide Plan.
- (b) The addition of a title to a component unit pay plan which is included in the System-wide Plan, but the salary range being proposed is not within the established System-wide salary range.
- (c) Adjustment of a salary range in a component unit pay plan that would change the established System-wide salary range.

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Sec. 2. General Personnel.

2.1 Leave for Military Duty.

2.11 A leave of absence not to exceed fifteen working days in any one calendar year is granted faculty or staff members who, as members of the National Guard or Official Militia of Texas or members of any of the Reserve Components of the Armed Forces, shall be engaged in authorized training or duty, ordered or authorized by proper authority. During such periods, the employee is absent without loss of efficiency rating, vacation time or salary; and when relieved from military duty, the employee is restored to the position and status he previously held.

2.12 A leave of absence with full pay shall be provided any employee who is called to active duty with the National Guard by the Governor of Texas. Such leave shall in no way be charged against the employee's vacation or sick leave privileges.

2.13 The chief business officer of each institution may prescribe forms and procedures for such leaves.

2.2 Medical Disability Leave.

2.21 Temporary disabilities caused or contributed to by pregnancy, childbirth, or related medical conditions shall be treated in the same manner as other temporary medical disabilities. Except as provided under Subsection 2.220 of this Section, any employee, whether faculty, classified, or administrative, who expects to be, or who becomes temporarily disabled as a result of injury, illness or pregnancy, may request and receive a leave of absence without pay for a "reasonable period" of time, provided the request is made under the following terms and conditions:

2.211 The employee shall provide the department head with a physician's certification establishing the medical disability and the anticipated period of absence.

*amended  
12/13/84*

- 2.212 The employee and the department head will submit a request to the chief administrative officer through proper channels. The request will include a statement from the department head detailing the manner in which the responsibilities of the employee will be assumed. A statement encompassing the details of the medical disability leave shall be entered in the remarks section of the appropriate personnel action form.
- 2.213 "Reasonable period," as used in this Section, is defined as the length of the leave as determined by the employee's medical disability. The period shall normally not exceed six (6) weeks, following incapacitation or after delivery in the case of maternity. Leave without pay shall be authorized only after the employee has exhausted all accumulated paid leave entitlements (sick leave and then vacation leave). Following a six week absence, the chief administrative officer may authorize an additional reasonable period of time for medical disability leave without pay on an individual basis after review of the merits of each particular case, and subject to the requirement of exhaustion of accumulated paid leave. Total leave without pay for medical disability shall not exceed twelve months.
- 2.214 Vacation leave and sick leave do not accrue while on medical disability leave without pay.

*Amended  
12/13/84*

- 2.215 Subject to fiscal constraints, approval of medical disability leave shall constitute a guarantee of employment for the period of the medical disability leave.
- 2.216 The employee returning from medical disability leave will furnish a statement from a duly licensed physician certifying that the employee is medically capable of resuming normal working duties.
- 2.217 In the case of faculty on medical disability leave, the date for return to work will coincide with the beginning of the next semester, following the period of absence, if the chief administrative officer, or his or her delegate, determines that such beginning date is necessary in order to obtain a temporary replacement or to maintain the integrity of the academic program of the institution.
- 2.218 A replacement may be provided on a temporary basis during the absence of an employee on medical disability leave.
- 2.219 An employee on medical disability leave without pay is entitled to continue optional group insurance coverages at the employee's own expense.
- 2.220 If an employee is unable to return to work because of an on-the-job injury covered by Workers' Compensation Insurance, the employee may remain on the payroll until vacation and sick leave are exhausted, or may designate in writing that a portion of such leave may be used for this purpose.

2.3 Overtime.

2.31

The schedule of activities shall be so organized that employees are not required to work in excess of established work periods except when operating necessities demand it. Any overtime services actually required must have the advance written approval of the chief administrative officer or the chief business officer, or both.

*Amended  
2/12/87*

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- 2.216 The employee returning from medical disability leave will furnish a statement from a duly licensed physician certifying that the employee is medically capable of resuming normal working duties.
- 2.217 In the case of faculty on medical disability leave, the date for return to work will coincide with the beginning of the next semester, following the period of absence, if the chief administrative officer, or his/her delegate, determines that such beginning date is necessary in order to obtain a temporary replacement or to maintain the integrity of the academic program of the institution.
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*amended  
12/13*

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The schedule of activities shall be so organized that employees are not required to work in excess of established work periods except when operating necessities demand it. Any overtime services actually required must have the advance written approval of the chief administrative officer or the chief business officer, or both.

- 2.32 With the exception of professional medical personnel and bona fide executive, administrative, and professional positions, all employees required or permitted to work in excess of forty hours per week shall be compensated for such overtime either:
- 2.321 By receiving compensatory time off at the rate of one and one-half (1½) hours off for each hour of overtime, subject to the accrual limitation of 480 hours in the case of personnel engaged in public safety or emergency response activities; or 240 hours for other categories of employees. Such compensatory time off shall be granted at a mutually convenient date anytime during the twelve month period following the end of the workweek in which such compensatory time is accrued, or during a shorter time period as specified by the component institution; or
- 2.322 In cases where granting compensatory time is impracticable, by receiving pay equivalent to one and one-half times the regular rate of pay.
- 2.33 Compensatory time for those employees excepted from this provision shall be determined by the chief administrative officer of the institution involved.
- 2.34 Institutions paying overtime shall maintain a monthly record of overtime paid indicating the number of employees so compensated and the total amount paid.

*amended  
2/12/87*

2.4 Intellectual Property Policy.

- 2.41 Statement of Basic Philosophy and Objectives.-- While the discovery of patentable processes or inventions and the creation of other intellectual property is not the primary objective of the System, for any such discoveries or creations, it is the objective of the Board to provide an intellectual property policy which will encourage the development of inventions and other intellectual creations for the best interest of the public, the creator, and the research sponsor, if any, and that will permit the timely protection and disclosure of such intellectual property whether by development

- 2.32 With the exception of professional medical personnel and bona fide executive, administrative, and professional positions, regular, full-time employees required to work in excess of forty hours per week shall be compensated for such overtime either:
- 2.321 By receiving equivalent time off during the same biennium in which the overtime was accrued. If possible, the equivalent time off should be granted within the same pay period in which the overtime was accrued; or
  - 2.322 In cases where granting compensatory time is impracticable, by receiving pay equivalent to one and one-half times the regular rate of pay.
- 2.33 Compensatory time for those employees excepted from this provision shall be determined by the chief administrative officer of the institution involved.
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*2.4 throughout  
4.653 amended*

and commercialization after securing available protection for the creation, by publication or both. The policy is further intended to protect the respective interest of all concerned by ensuring that the benefits of such property accrue to the public, to the inventor, to the System and to sponsors of specific research in varying degrees of protection, monetary return and recognition, as circumstances justify or require.

2.411 Each component institution may develop in its Handbook of Operating Procedures additional policies and rules covering the subject matter of this section not inconsistent with this section or other policies or procedures adopted by the Board.

2.42 General Policy.

2.421 The intellectual property policy as adopted shall apply to all persons employed by the component institutions of the System, to anyone using System facilities under the supervision of System personnel, and to postdoctoral and predoctoral fellows.

2.422 This policy shall apply to intellectual property of all types (including any invention, discovery, trade secret, technology, scientific or technological development, or computer software) regardless of whether subject to protection under the patent, trademark or copyright laws. This policy shall not apply to faculty authored written or visual work, except computer software, produced in the author's professional field, which property shall be owned by the creator; nor shall the policy apply to intellectual property produced as a work for hire in the performance

of a contract with the System or as a part of an employee's assigned work responsibilities, which property shall be owned by the Board.

- 2.423 It is the intent of this policy to permit the creator of intellectual property maximum freedom in respect to their creations, consistent with their obligations to the System. Any person affected by this policy who as a result of his or her activities creates intellectual property other than on certain government or other sponsored research projects, where individual grant agreements provide otherwise, should have a major role in the ultimate determination of how it is to be made public -- by publication, by development and commercialization after securing available protection for the creation, or both.
- 2.424 Property rights in intellectual property will be based on the degree of System support, as hereinafter specified.
- 2.425 The System, with the cooperation of the component institution, will provide review and management services for patentable inventions as well as other intellectual property either by its own staff, through a related foundation, or by other means.
- 2.426 It is a basic policy of the System that intellectual property be developed primarily to serve the public interest. This objective usually will require development and commercialization by nonexclusive licensing but the public interest may best be promoted by the granting of a limited exclusive license or even an exclusive license

for the period of the patent. These determinations will be recommended and made in accordance with the administrative procedures hereinafter set out and with the approval of the Board.

2.43 Institutional Patent Committees and System Intellectual Property Office.

2.431 Patent Committees: To help administer the intellectual property policy at each component institution and to make recommendations to chief administrative officers for further referral to the Office of the Chancellor and the Board (in those cases when action by the Office of the Chancellor and/or the Board is required), Institutional Patent Committees shall be established as directed by the Office of the Chancellor. Each institution at its option may use the term "Intellectual Property Committee" in lieu of "Patent Committee."

2.432 System Intellectual Property Office: To assist the Institutional Patent Committees to provide advice to individual faculty and staff members in intellectual property matters and to coordinate details in respect to procedures for protecting and marketing intellectual property, a System Intellectual Property Office shall be established.

2.44 Classification of Discoveries by Source of Research Support.

2.441 Intellectual property that is unrelated to the individual's employment responsibility, has been developed as a result of the individual's efforts on his or her own time, with no System support or use of System's facilities.

2.442 Intellectual property that is related to the individual's employment responsibility, or has resulted either from activities performed by the individual on System time, or with support by State funds, or from using System facilities.

2.443 Intellectual property that has resulted from research supported by a grant or contract with the Federal Government or an agency thereof, a nonprofit or for profit nongovernmental entity or by a private gift to the System.

2.45 Property Rights and Obligations.

2.451 Intellectual property unrelated to the individual's employment responsibility that is developed on an individual's own time and without System support or use of System facilities (see 2.441) is the exclusive property of the creator, and the System has no interest in any such property and no claim to any profits resulting therefrom. Should the creator choose to offer the creation to the System, the Institutional Patent Committee shall recommend as to whether the System should support and finance a patent application or other available protective measures and manage the development and commercialization of the property. If the creator makes the offer after obtaining a patent or other protection, the Institutional Patent Committee shall recommend as to whether the System should reimburse the creator for expenses in obtaining such protection. If the Patent Committee recommends and the creation is accepted for management by the System, the procedures to be followed and the rights of the parties shall be those set out in Subsection 2.4523 following.

- 2.452 Intellectual property either related to the individual's employment responsibility, or resulting from activities performed on System time, or with support by State funds, or from using System facilities shall be subject to ownership by the Board. (See 2.442.)
- 2.4521 Before intellectual property covered by Section 2.422 is disclosed either to the public or for commercial purposes, and before publishing same, the creator shall submit such intellectual property to the Institutional Patent Committee for determination of the System's interest. A component institution may establish guidelines in its Handbook of Operating Procedures for submitting different categories of intellectual property to its Institutional Patent Committee, and procedures to be followed by the Institutional Patent Committee in reviewing and evaluating such submissions. Such guidelines and procedures shall be consistent with this policy and shall be subject to approval as a part of the institutional Handbook. In those instances, however, where delay would jeopardize obtaining the appropriate protection for the property, the creator may, with the approval of the Chairman of the Institutional Patent Committee and the chief administrative officer, file a patent application or take other steps to obtain available protection prior to the Committee and administrative review provided in the following two subsections. If the request is granted, the creator may proceed with the filing of a patent application or other available protective measures pending the determination of the System's interest; provided, however, that the creator shall be reimbursed

for expenses in filing the patent application or taking other steps to obtain protection if the decision of the System is to assert and exploit its interests. The Chairman of the Institutional Patent Committee shall notify the System Intellectual Property Office of any such application.

- 2.4522 If the Institutional Patent Committee recommends that the System not assert and exploit its interest, and that recommendation is approved by the System Intellectual Property Office and the Office of the Chancellor, the creator shall be notified within ninety (90) days of the date of submission that he or she is free to obtain and exploit a patent or other intellectual property in his or her own right and the System shall not have any further rights, obligations or duties thereto. (In some instances, the Committee may elect to impose certain limitations or obligations, dependent upon the degree of System support.)
- 2.4523 If the System decides to patent or seek other available protection for intellectual property in which it decides to assert and exploit its interest, it shall proceed either through its own efforts or those of an appropriate private firm or attorney to obtain protection and manage the intellectual property. Under appropriate circumstances, and with the consent of the General Counsel and the approval of the Attorney General, component institutions may arrange to have services to obtain protection for intellectual property performed by a local outside attorney on a case-by-case basis. It shall be mandatory for all employees, academic and nonacademic,

to assign the rights to intellectual property and patents to the Board when such creations fall within Paragraph 2.452. In those instances where the System licenses rights in intellectual property to third parties, the costs of licensing and obtaining a patent or other protection for the property on behalf of the Board shall first be recaptured from any royalties received by the System, and the remainder of such royalty income (including license fees, prepaid royalties and minimum royalties) shall be divided as follows:

50% to creator

50% to System.

With the prior approval of the Board as an agenda item, a component institution may include provisions in its Handbook of Operating Procedures to adjust the allocation of royalties set forth herein, but in no event shall the creator receive more than 50% or less than 25% of such proceeds. The division of royalties from patents or other intellectual property managed by an intellectual property management concern will be controlled by the terms of the System's agreement with such concern, as approved by the Board. Any other deviation from this rule requires the prior approval of the Board.

- 2.453 Intellectual property resulting from research supported by a grant or contract with the Federal Government, or an agency thereof, with a nonprofit or for profit nongovernmental entity, or by a private gift or grant to the System shall be subject to ownership by the Board. (See 2.443.)

- 2.4531 Administrative approval of application requests to, and acceptance of grants or contracts with, the Federal Government, or any agency thereof, with a nonprofit or for profit nongovernmental entity, or a private donor that contain provisions that are not consistent with this policy, or other policies and guidelines adopted by the Board from time to time implies a definite decision that the value to the System of receiving the grant or performing the contract outweighs the impact of any non-conforming provisions of the grant or contract on the basic intellectual property policies and guidelines of the System.
- 2.4532 The intellectual property policies and guidelines of the System are subject to, and thus amended and superseded by, the specific terms pertaining to intellectual property rights included in Federal grants and contracts, or grants and contracts with nonprofit and for profit nongovernmental entities or private donors, to the extent of any conflict.
- 2.4533 In those instances where it is possible to negotiate System-wide intellectual property agreements with the Federal agencies or nonprofit and for profit nongovernmental entities, or private donors and thereby obtain

more favorable treatment for the creator and the System, every effort will be made to do so with the cooperation and concurrence of the Office of Asset Management and the Intellectual Property Office after consultation with the Institutional Patent Committee and the chief administrative officer.

2.4534 Employees of the System whose intellectual property creations result from a grant or contract with the Federal Government, or any agency thereof, with a non-profit or for profit non-governmental entity, or by private gift to the System shall make such assignment of such creations as is necessary in each case in order that the System may discharge its obligation, expressed or implied, under the particular agreement.

2.46 Equity Interests.

2.461 In agreements with business entities relating to rights in intellectual property owned by the Board, the System may receive equity interests as partial or total compensation for the rights conveyed.

2.462 Consistent with Section 51.92, Education Code, and subject to review and approval by the chief administrative officer of the component institution, the Office of the Chancellor and the Board, employees of the System who conceive, create, discover, invent or develop

intellectual property may hold an equity interest in a business entity that has an agreement with the System relating to the research, development, licensing or exploitation of that intellectual property.

2.463 The System may negotiate, but shall not be obligated to negotiate, an equity interest on behalf of any employee as a part of an agreement between the System and a business entity relating to intellectual property conceived, created, discovered, invented or developed by the employee and owned by the Board.

2.464 Dividend income and income from the sale or disposition of equity interests held by the Board pursuant to agreements relating to intellectual property shall belong to the System and shall be distributed in accordance with the provisions of Section 2.50 below.

2.465 Dividend income and income from the sale or disposition of an equity interest held by a System employee pursuant to an agreement between the System and a business entity relating to rights in intellectual property conceived, created, discovered, invented or developed by such employee shall belong to the employee.

2.47 Business Participation.

2.471 Any System employee who conceives, creates, discovers, invents or develops intellectual property shall not serve as a member of the board of directors or other governing board or as an officer or an employee (other than as a consultant) of a business entity that has an agreement with the System relating to the research,

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development, licensing, or exploitation of that intellectual property without prior review and approval by the chief administrative officer of the component institution, the Office of the Chancellor and the Board as an agenda item.

2.472 When requested and authorized by the Board, an employee may serve on behalf of the Board as a member of the board of directors or other governing board of a business entity that has an agreement with the System relating to the research, development, licensing or exploitation of intellectual property.

2.48 Reporting.

2.481 Any employee covered by Section 2.462, 2.471, or 2.472 shall report in writing to the chief administrative officer of the component institution, or to such other person as may be designated by the chief administrative officer, the name of any business entity as referred to therein in which the person has an interest or for which the person serves as a director, officer or employee and shall be responsible for submitting a revised written report upon any change in the interest or position held by such person in such business entity. These reports shall be accumulated in the office of the chief administrative officer or designee and then forwarded to the appropriate Executive Vice Chancellor by September 1 of each year so that the Office of the Chancellor may file a report with the Board at its October meeting. After the report has been approved by the Board, the Office of the Chancellor shall prepare the report to the Governor and the Legislature required by Section 51.912(c), Education Code.

- 2.49 Approval of Agreements Relating to Rights in Intellectual Property.
- 2.491 Agreements relating to rights in intellectual property shall ordinarily be approved by the Board on the institutional docket following review by the Office of General Counsel and approval by the administration of the component institution and the Office of the Chancellor.
- 2.492 Any agreement altering substantially the basic intellectual property policy of the System as set out in the preceding sections and other policies and guidelines that may be adopted by the Board shall have the advance approval of the chief administrative officer, the Office of the Chancellor, and the Board as an agenda item.
- 2.50 Income from Intellectual Property. The portion of the net income the System retains from royalties and any other intellectual property-related income shall be used first to defray the expenses, if any, of the System Intellectual Property Office and thereafter, as approved by the Board, for research purposes at the component institutions where the income providing creation originated. At the option of a component institution, such income may be accumulated in an endowment fund administered by the Office of Asset Management with the income to be distributed to the component institution for such purposes as may be approved by the Board.
- 2.51 Implementation of Intellectual Property Policy. The Office of Asset Management and the Office of General Counsel through the System Intellectual Property Office shall prepare and distribute to the component institutions such Model Agreements and recommended procedures as may be considered appropriate for the implementation of the provisions of this policy as well as other policies and guidelines adopted by the Board.

2.52 Unless otherwise required by law or the Regents' Rules and Regulations, each intellectual property agreement approved hereunder shall be construed in accordance with the Intellectual Property Policy in existence as of its approval date.

Sec. 3. Certain Provisions in Current Appropriation Act.--The Rules and Regulations of the Board are subject to and shall comply with the provisions appearing in the current Appropriation Act, including the following pertaining to personnel:

3.1 Use of Alcoholic Beverages.--"None of the moneys appropriated under this Act shall be used for the payment of salaries to any employee who uses alcoholic beverages while on active duty. None of the funds appropriated under this Act for travel expenses may be expended for alcoholic beverages."

3.2 Advocating Overthrow of the Government.--"None of the funds appropriated to the agencies and institutions of higher education enumerated in this Act shall be expended in payment of salary or other compensation of any faculty member or employee who advocates the overthrow of the Government of the United States of America, or of any State, by force, violence or any other unlawful means."

Sec. 4. Employee Training, Education, and Development.

4.1 The Texas State Employees Training Act of 1969, Chapter 283, Acts of the 61st Legislature, Regular Session, 1969 (Article 6252-11a, Vernon's Texas Civil Statutes), recognizes that the State departments

and other State institutions, including the System, must develop a more comprehensive Training Program as an integral part of a successful personnel program. The System Personnel Director, as delegated by the Executive Director for Finance and Administration, is responsible for promulgating the necessary policies and procedures for implementation of the State Employees Training Act, consistent with the guidelines already approved by the Governor of the State of Texas and the Regents' rules.

- 4.2 Through implementation of the State Employees Training Act, the System will provide programs that will greatly benefit most employees. In addition, the use of various types of training programs will also encourage the initiative of young, talented employees and stimulate and motivate less productive employees. Organized training programs will, moreover, help identify those employees who are willing to exercise their initiative and prove their performance and also find the areas where employees are resisting change and improved procedures and programs.
- 4.3 The following general objectives of the overall training effort will lead to the System's gaining more efficiency and economy in its overall personnel program:
  - 4.31 Developing well trained staffs, both professional and supportive;
  - 4.32 Assisting all employees toward achieving their highest potential usefulness;
  - 4.33 Motivating employees and stimulating a sense of participation and involvement;
  - 4.34 Insuring that the System receives a fair return on its investment in training and education.
- 4.4 The program elements for this general training program are:
  - 4.41 Identifying staff members who need staff development in order to determine the exact kind and scope of program needed;

- 4.42 Training individuals for current assignments and developing them for future assignments, as a means of improving the quality and quantity of work done;
  - 4.43 Developing all supervisors to enable them to assume and discharge their primary responsibility for the maximum utilization of personnel, the training of their staff members, and the maintenance of sound employee relations;
  - 4.44 Advising and assisting employees with respect to continuing education, and means by which they can improve their usefulness;
  - 4.45 Evaluating all training and education activities to determine whether they have effectively met the needs of the System.
- 4.5 With these objectives and general program elements as a background, four specific training programs are established. The administration and implementation of the following training programs at each component is to be primarily the task and responsibility of the institutional personnel officer, with approval of the chief administrative officer. The System Personnel Director shall have the responsibility of coordinating all training programs through review and approval of training policies promulgated by the component institution.
- 4.6 College or University Degree Program.
- 4.61 Definition: This program will provide graduate or undergraduate level training leading to a degree. Basically, it provides for full-time student enrollment and is to be for selected, qualified employees of the System. This program will be provided by the System on the basis of need of the System and to the extent funds are available.
  - 4.62 Objectives: To provide a college or university education for qualified system employees specifically required in their area of employment.
  - 4.63 Program Elements: This training is essentially of only one type: to provide full time student enrollment in a graduate or undergraduate

- program leading to a degree.
- 4.64 Administration: Eligibility Requirements.
- 4.641 Selected employees must have necessary academic qualifications to meet all entrance requirements of the college or university where training is provided.
- 4.642 Degree training must be directly related to an existing job or job series used by the System.
- 4.643 Selected employees must be scheduled for appointment to a job requiring the degree training on completion of schooling.
- 4.644 Selected employees must have been successfully evaluated as to competence and aptitude for training granted and recommended through the chief administrative officer and approved by the System Personnel Director.
- 4.645 Selected employees on educational stipend shall be considered as employees on official leave of absence while in student status. Vacation, sick leave, group insurances, and other benefits will be governed under appropriate rules regarding such official leaves of absence.
- 4.65 Administration: Obligations. Employees who receive financial assistance under this program from the System, in completion of either undergraduate or advanced degrees, will be obligated to fulfill the following terms and conditions:
- 4.651 An agreement to be bound by the rules and regulations contained herein and such other policies, rules, and procedures as may be promulgated by the System Personnel Director applicable to the college degree training program.
- 4.652 An agreement to return to the System as an employee upon graduation and

attainment of the degree and to remain in the employment of the System for a period of time subsequent to graduation that is proportionate either to the period of time the employee has received financial assistance to attend college or university or to the amount of financial assistance received.

4.653 An agreement to execute, as required by the System Personnel Director, a formal obligatory document between the System and the recipient of assistance under this program, to repay in a lump sum or such alternate arrangement as the System Personnel Director may prescribe, the amount of money expended by the System for the cost of such college education if the individual for any reason, except circumstances beyond the individual's control, fails to complete the training or otherwise defaults in any provision of the agreement between the System and the individual.

4.7 In-Service Training and Education Program.

4.71 Definition: This training and education is job-oriented training that is provided essentially within the System. It may include on-the-job training, training in preparation for job assignment, and continuing training programs that are basically job oriented. This program is for selected individual staff members and will be provided on the basis of need and to the extent funds are available.

4.72 Objectives: To equip an individual to perform a particular task within a particular situation and/or to equip the employee to deal with new technological and legal developments, to develop additional work capabilities, or increase the employee's level of competence.

4.73 Program Elements: In-service training and education programs are divided into the following three principal categories:

4.731 Orientation serves the purpose of acquainting the employee to a new job situation. It does not include

attainment of the degree and to remain in the employment of the System for a period of time subsequent to his graduation that is proportionate either to the period of time the employee has received financial assistance to attend college or university or to the amount of financial assistance he has received.

- 4.653 An agreement to execute, as required by the System Personnel Director, a formal obligatory document between the System and the recipient of assistance under this program, to repay in a lump sum or such alternate arrangement as the System Personnel Director may prescribe, the amount of money expended by the System for the cost of such college education if the individual for any reason, except circumstances beyond his control, fails to complete the training or otherwise defaults in any provision of the agreement between the System and himself.

4.7 In-Service Training and Education Program.

- 4.71 Definition: This training and education is job-oriented training that is provided essentially within the System. It may include on-the-job training, training in preparation for job assignment, and continuing training programs that are basically job oriented. This program is for selected individual staff members and will be provided on the basis of need and to the extent funds are available.
- 4.72 Objectives: To equip an individual to perform a particular task within a particular situation and/or to equip the employee to deal with new technological and legal developments, to develop additional work capabilities, or increase his level of competence.
- 4.73 Program Elements: In-service training and education programs are divided into the following three principal categories:
- 4.731 Orientation serves the purpose of acquainting the employee to a new job situation. It does not include

the development of skills for that particular job situation.

4.732 Basic Training for a Specific Task includes pre-employment and recruit type training involving job knowledge and/or the development of skills required for a specific task. It also includes training in supervisory and managerial skills.

4.733 Advanced In-Service Training includes the development of a higher level of skill, an increase in job knowledge, and instruction in new concepts and changing aspects of job responsibility.

4.74 Administration: Eligibility Requirements. It is a basic responsibility of the System to provide training as the individual situation may require. It is recognized that the need for some of these programs will vary according to skills required and the availability of pre-employment training. Manpower needs and the availability of skilled applicants may also be a determining factor. With this general background as reference, employees will be identified, selected, trained, and evaluated according to the needs of the System.

4.75 Administration: Obligations. The employee has an obligation to successfully complete the training program and should recognize that the System will use this type of training as a continuation of the selection process.

4.8 Out-of-Agency Staff Development Program.

4.81 Definition: This program is to provide training through workshops, seminars, institutes, training sessions, extension courses, college or university courses (with or without academic credit), and other special programs or activities offered either within or

- outside the State. Such programs must be of concentrated, precise content and designed to improve the individual's professional or technical knowledge in the performance of the individual's present or prospective duties and responsibilities. This program is for selected individual staff members and will be provided on the basis of need of the System and to the extent funds are available.
- 4.82 Objectives: To improve and enhance the individual's professional and technical knowledge and ability in the performance of the individual's present or prospective duties and responsibilities.
- 4.83 Program Elements: This program is generally the type that meets the following criteria: relatively short term; specific in content; and presented outside the employing agency.
- 4.84 Administration: Eligibility Requirements.
- 4.841 Out-of-Agency Staff Development education and training authorized by the System will be conducted primarily for the benefit of the System.
- 4.842 The training and education must be related to the employee's current or prospective duty assignment during the period of his participation.
- 4.843 Such training and education must be approved by the chief administrative officer or his or her delegate on recommendation of the head of the employing department or unit.
- 4.85 Administration: Obligations. Employees receiving Out-of-Agency Staff Development authorized by the System will be obligated to fulfill such terms and conditions as the chief administrative officer may prescribe, compatible with the nature and extent of the training or education.

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- 4.85 Administration: Obligations. Employees receiving Out-of-Agency Staff Development authorized by the System will be obligated to fulfill such terms and conditions as the chief administrative officer may prescribe, compatible with the nature and extent of the training or education.

- 4.9 Internship Training Program.
- 4.91 Definition: Internship training is intended to provide the type of learning experience that can be obtained only through actual work experience. Internship programs will normally be of a longer duration than training mentioned under the heading of Out-of-Agency Staff Development and In-Service Training and Education. This training will be provided to those individuals selected under the standards listed below in 4.95, Eligibility Requirements. This training will be provided on the basis of need of the System and to the extent funds are available.
- 4.92 Objectives: This type of training and education has a broader objective than other types of training in that it serves not only the System but also the State of Texas in the following ways:
- 4.921 It allows the System and/or the State of Texas to screen potential employees while simultaneously enjoying an advantageous recruiting position.
- 4.922 It facilitates the infusion of new people and new ideas into the information interchange which is continually taking place between State government and the System.
- 4.923 It will allow the System and/or the State to gain trained personnel who can carry a heavier work load in a relatively short period of time.
- 4.924 Internship programs produce a work product, although this is not the justification for any internship program.
- 4.93 Program Elements: Type I Internships are those that are within the System for nonemployees of the State.
- 4.931 Type I Internships are held with the

- System by persons who are not employed by the State or the System.
- 4.932 Such internships relate to the educational program of the person serving the internship, which suggests that there will be a constant interchange and evaluation between both the System and the sponsor of the person's educational program.
- 4.933 These internships should be initiated only to the extent that the System can provide a meaningful working role and learning experience.
- 4.934 Type I Internships are not designed primarily to produce a work product. (Example: The employee of a private data processing equipment firm observing and being trained in the Data Processing Department of a component institution which serves as the training ground.)
- 4.94 Program Elements: Type II Internship Programs are for the State of Texas and/or System employees.
- 4.941 Type II(a) Internships provide for the State of Texas to be the trainee represented by a person in the employ of a State agency other than the System. [Example: An employee of another state agency (State Auditor's Office) serving as an intern trainee with the System.]
- 4.942 Type II(b) Internships provide for the State of Texas to be the trainee represented by a person in the employ of the System. A Type II(b) Internship may be served either within the System or with another State agency. Employees on

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Type II(b) Internship status should be considered as employees of the System as they would if they were physically present on the job.

(Example: An employee of a System component serving as an intern trainee at another System component or with another State agency, i.e., an accountant from a component business office serving as a trainee in the business office of another component or in the State Auditor's office.)

- 4.943 The primary objective sought by both of the Type II Internship programs is for the trainee to gain skills from the training agency and to promote the ability of persons to work with broader situations and more competently in the multi-levels of administration of the State or the System.
- 4.944 A "No Proselyting" agreement should be secured in both of the Type II Internship programs.
- 4.95 Administration: Eligibility Requirements.
  - 4.951 Internship education and training authorized by the System will be conducted primarily for the benefit of the System.
  - 4.952 Internship training and education must be approved by the chief administrative officer or his or her delegate on recommendation of the head of the employing department or unit.
- 4.96 Administration: Obligations.
  - 4.961 Type I - No obligatory arrangement is required.
  - 4.962 Type II - The following standards should be observed:
    - 4.9621 The need for these programs

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will vary according to skills required and the availability of pre-employment training within the State of Texas and/or the System.

4.9622 The employee has an obligation to successfully complete the training program and should recognize that the State of Texas and the System will use this type of training as a continuation of the selection process.

4.9623 Employees receiving internship training authorized by the System will be obligated to fulfill such terms and conditions as the System Personnel Director may prescribe, compatible with the nature and extent of the training or education.

Sec. 5. Other Regulations Concerning Personnel are Reported in the Rules and Regulations of the Board, Part One as follows:

Physical Examination - Chapter III, Sec. 1.7

Employment of Aliens - Chapter III, Sec. 3

Indebtedness to the System or the State - Chapter III, Sec. 28

Appointment of Relatives (Nepotism Rule) - Chapter III, Sec. 5

Holidays - Chapter III, Sec. 14

Vacation - Chapter III, Sec. 15

Sick Leave - Chapter III, Sec. 19

Leave for Jury Duty - Chapter III, Sec. 20

Absence from Usual and Regular Duties - Chapter III,  
Sec. 21

Leaves of Absence Without Pay - Chapter III, Sec. 16

Office Hours - Chapter III, Sec. 12

Outside Employment - Chapter III, Sec. 13

Acceptance of Money from Students - Chapter III, Sec. 26

Textbooks and Other Materials Prescribed for the Use of  
Students - Chapter III, Sec. 24

Institutional Employees as Students - Chapter III, Sec. 30

Power to Authorize Expenditures out of the System Funds -  
Chapter III, Sec. 27

Division of Salaries for Staff Engaged in Teaching and  
Nonteaching Activities - Chapter III, Sec. 18

Compensation for Correspondence and Extension Teaching of  
Full-time Staff Members - Chapter III, Sec. 23

Classified Personnel Systems - Chapter III, Sec. 2

Code of Ethics - Chapter III, Sec. 4

Tenure, Promotion, and Termination of Employment -  
Chapter III, Sec. 6

Retirement and Modified Service - Chapter III, Sec. 31

Faculty Development Leaves - Chapter III, Sec. 17

CHAPTER VI

STAFF BENEFITS

(Staff benefits may be subject to change by State and Federal Laws.  
Application in specific instances should be verified.)

Sec. 1. Teacher Retirement System.  
Pursuant to Title 110B, Subtitle D, Chapters 31-35, Vernon's Texas Civil Statutes (to be included in the Texas Government Code), a person, unless eligible to participate and participating in the Optional Retirement Program (Section 2 below), employed by the System at least one-half time for a cumulative period of four and one-half months within one fiscal year must participate in the Teacher Retirement System of Texas.

Sec. 2. Optional Retirement Program.

- 2.1 Pursuant to Section 31.001 and 36.101 et seq., Title 110B, Vernon's Texas Civil Statutes (to be included in the Texas Government Code) and subject to eligibility rules adopted by the Texas Higher Education Coordinating Board, the following employees are eligible to participate in the Optional Retirement Program (O.R.P.):
- 2.11 Full-time faculty members appointed at least four and one-half months.
  - 2.12 Full-time administrative personnel responsible for teaching and research faculty appointed for at least four and one-half months.
  - 2.13 The Chancellor and individuals employed full-time as Executive Vice Chancellors, Vice Chancellors, chief administrative officers, vice presidents, and professional librarians, or other full-time professional staff persons whose national mobility requirements are similar to those of faculty members and who fill positions that are the subject of nationwide searches in the academic community.

*Amended  
10/9/87*

2.2

*amended*  
*10-13-83*

In accordance with conditions approved by the U.T. Board of Regents and in consultation with the Office of the Executive Director for Finance and Administration, the System Personnel Director will review and approve the companies authorized to provide annuity contracts, custodial accounts or investment contracts under the O.R.P.

2.3

*added*  
*10-13-83*

In consultation with the Office of the Executive Director for Finance and Administration and in accordance with federal and state laws and regulations, The University of Texas System Personnel Director is authorized to issue "Guidelines for

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- 2.1 Pursuant to Section 36.101 et seq., Title 110B, Vernon's Texas Civil Statutes (to be included in the Texas Government Code), the following employees are eligible to participate in the Optional Retirement Program (O.R.P.):
- 2.11 Full-time faculty members appointed at least four and one-half months.
- 2.12 Full-time administrative, research or professional personnel appointed for at least four and one-half months, unless included in the classified personnel pay plan of a component institution.
- 2.2 In accordance with conditions approved by the U.T. Board of Regents and in consultation with the Office of the Executive Director for Finance and Administration, the System Personnel Director will review and approve the companies authorized to provide annuity contracts, custodial accounts or investment contracts under the O.R.P.
- 2.3 In consultation with the Office of the Executive Director for Finance and Administration and in accordance with federal and state laws and regulations, The University of Texas System Personnel Director is authorized to issue "Guidelines for
- Amended  
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Administration" for evaluation of organizations authorized to provide annuity contracts, custodial accounts or investment contracts under the Optional Retirement Program.

*editorial change 2.4 10/13/83*

One change of O.R.P. companies is allowed per year. The change may be made only on the first day of a month.

Sec. 3. Tax Sheltered Annuities.

3.1 Pursuant to Article 6228a-5, Vernon's Texas Civil Statutes, an employee may purchase Tax Sheltered Annuities (T.S.A.) through an approved company.

*amended 10/13/83*

3.2 In accordance with conditions approved by The University of Texas System Board of Regents and in consultation with the Office of the Executive Director for Finance and Administration, the System Personnel Director will review and approve companies authorized to offer annuities or other investments under the Tax Sheltered Annuity Program.

*added 10/13/83*

3.3 In consultation with the Office of the Executive Director for Finance and Administration and in accordance with state and federal laws and regulations, The University of Texas System Personnel Director is authorized to issue "Guidelines for Administration" for evaluation of organizations seeking to write tax sheltered annuities or other investments for employees of The University of Texas System.

Sec. 4. Group Hospitalization and Medical Benefit Plan.

4.1 A person employed at least one-half time may elect optional group hospitalization and medical insurance coverage under a System-wide contract approved by the Office of the Chancellor and the U.T. Board of Regents.

4.2 Employees who do not enroll within 60 days of eligibility may do so only in the annual enrollment period during the month of September.

4.3 The anniversary date of the contract is September 1 of each year.

4.4 An employee enrolled for group hospitalization and medical coverage is automatically enrolled for group dental coverage. (Section 5 below.)

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Sec. 5. Group Dental Insurance.

- 5.1 An employee covered by group hospitalization and medical insurance is also covered by group dental insurance under a System-wide contract approved by the Office of the Chancellor and the U.T. Board of Regents.
- 5.2 Dependents' dental coverage is available but may be discontinued only if dependents' group hospitalization and medical coverage is discontinued.
- 5.3 Reinstatement of discontinued dependents' dental coverage shall require evidence of insurability.
- 5.4 Effective September 1, 1983, and thereafter, Subsections 5.1 through 5.3 shall also apply to employees and dependents covered as health maintenance organization participants.

Sec. 6. Health Maintenance Organizations.

- 6.1 In accordance with PROCEDURES FOR INCLUSION OF HEALTH MAINTENANCE ORGANIZATIONS adopted by the U.T. Board of Regents, the Office of the Executive Director for Finance and Administration, with the concurrence of the Executive Vice Chancellor for Health Affairs, may approve the inclusion of qualified organizations to provide services as a health maintenance organization.
- 6.2 In consultation with the Executive Director for Finance and Administration and the Executive Vice Chancellor for Health Affairs and in accordance with state and federal laws and regulations, The University of Texas System Personnel Director is authorized to issue "Guidelines for Administration" of the health maintenance organization option and to promulgate a "Request for Inclusion" form, which will include criteria against which HMO's will be evaluated.
- 6.3 A person eligible to enroll in the group hospitalization and medical benefit plan may, as an option, elect to enroll in a health maintenance organization under a contract approved by the Executive Director for Finance and Administration pursuant to conditions approved by the U. T. Board of Regents.

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- 6.4 Employees who do not enroll within 60 days of eligibility may do so only in the annual enrollment period during the month of September.
- 6.5 The anniversary date of the contract is September 1 of each year.
- 6.6 An employee enrolled in a health maintenance organization is automatically enrolled for group dental coverage.

Sec. 7. Group Term Life Insurance.

- 7.1 A person employed at least one-half time is eligible to purchase group term life insurance and dependents' group term life insurance under a System-wide "One Year Term" plan approved by the Office of the Chancellor and the U.T. Board of Regents.
- 7.2 The amount of insurance available may not exceed four times annual earnings.

Sec. 8. Group Cash Value Paid-Up at Age 65 Life Insurance Plan.  
A person employed at least one-half time is eligible to purchase group cash value paid-up at age 65 life insurance under a policy approved by the Office of the Chancellor and the U.T. Board of Regents.

Sec. 9. Group Long Term Disability Income Insurance.  
A person employed at least one-half time may purchase group long term disability income insurance under a policy approved by the Office of the Chancellor and the U.T. Board of Regents.

Sec. 10. Group Accident Insurance.  
A person under age 70 and employed at least one-half time may purchase group accident insurance under a policy approved by the Office of the Chancellor and the U.T. Board of Regents.

Sec. 11. Workers' Compensation Insurance.

- 11.1 Pursuant to Article 8309d of Vernon's Texas Civil Statutes, a System-wide Workers' Compensation Insurance (W.C.I.) Program will provide certain benefits for injuries sustained in the course and scope of employment.

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- 11.2 The System Personnel Office, with the assistance of other appropriate System and component institution offices, shall investigate injuries and publish and enforce safety regulations.
- 11.3 The System Personnel Office shall be responsible for reporting all covered injuries to the Industrial Accident Board (I.A.B.).
- 11.4 The System Personnel Office shall coordinate occupational safety and health activities and enforce occupational safety and health standards.
- 11.5 The Office of General Counsel shall be responsible for a determination on appeal of I.A.B. decisions.
- 11.6 A percentage of annual payroll, as approved by the U.T. Board of Regents, shall be set aside to fund the Workers' Compensation Insurance Fund (W.C.I. Fund).
  - 11.61 The System Personnel Office shall be responsible for deposit in the W.C.I. Fund of amounts to be forwarded monthly by each institutional chief business officer for salaries paid from other than State funds.
  - 11.62 The System Personnel Office shall request the State Comptroller to transfer amounts due on payrolls from State funds to the W.C.I. Fund.
- 11.7 The System Personnel Office shall process all W.C.I. claims for medical care and compensation.
- 11.8 The System Personnel Office shall prepare an annual report for the U.T. Board of Regents on the status of the W.C.I. Fund.

Sec. 12. Unemployment Compensation Program.

- 12.1 The System-wide Unemployment Compensation (U.C.) Program will provide weekly benefits as specified in Article 5221-b et seq., Vernon's Texas Civil Statutes.
- 12.2 The U.C. Fund is established by the U.T. Board of Regents to be maintained in one or more regular depositories approved by the U.T. Board of Regents. The System Personnel Office shall administer funding

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by assessment on all salary sources other than State General Revenue Funds as provided in Section 12.24 below.

- 12.21 The System will reimburse the State General Revenue Fund from the U.C. Fund for claims charge-backs paid by the State Comptroller for former employees paid from other funds.
- 12.22 Claims charge-backs for former employees paid from State General Revenue Funds shall be referred to the State Comptroller for payment.
- 12.23 The U.C. Fund shall at all times operate under principles agreed upon by the System and the U.S. Department of Health and Human Services.
- 12.24 Assessment rates shall be calculated to maintain the U.C. Fund balance within a range of \$1,215,000 to \$1,755,000 and to provide minimum balance fluctuations and maximum rate stability.
- 12.25 Expenditures from the U.C. Fund shall be limited to direct costs in accordance with Federal Management Circular 73-8, Section J.7.

- 12.3 The System Personnel Office, working in coordination with appropriate System and component institution offices, shall administer the U.C. Program and represent the System and component institutions in appeals to the Texas Employment Commission (T.E.C.).
- 12.4 The Office of General Counsel shall be responsible for a determination on appeals of T.E.C. decisions.
- 12.5 The System Personnel Office shall prepare an annual report for the U.T. Board of Regents on the status of the U.C. Fund.

Sec. 13. Social Security (Old Age and Survivors Insurance).  
Pursuant to 42 U.S.C. §410, all employees must participate in the Social Security Program.

Sec. 14. Deferred Compensation Plan.  
As authorized by Article 6252-3b, Vernon's Texas Civil Statutes, any employee may participate in the Deferred Compensation Plan.

*page added due to page adjustments*

Sec. 15. Premium Sharing.

- 15.1 A person employed at least one-half time is eligible to receive the full amount of premium sharing specified by state law.
- 15.2 A person employed at least one-half time will receive a basic insurance coverage. Each eligible employee may elect other optional coverage within 60 days of employment or waive coverage at any time.
- 15.3 The total premium for basic coverage shall not exceed the amount of employer contribution.

Sec. 16. U.S. Savings Bonds.

All employees shall be provided the opportunity to participate in the purchase of U.S. Savings Bonds by payroll deduction.

Sec. 17. Availability of Complete Benefit Descriptions.

The Office of the Chancellor shall insure that up-to-date accurate descriptions of the participation and eligibility requirements for all employee benefits and programs are conveniently available to all prospective and current employees at System Administration offices and at all component institutions.

CHAPTER VII

PHYSICAL PROPERTIES

- Sec. 1. Except as otherwise specifically authorized, property of the System shall be used only for official business. Only library books and other items of similar nature of well-established use may be used for the personal benefit or pleasure of employees. The chief administrative officer of each component institution shall designate a property manager.
- Sec. 2. Inventories.
- 2.1 An actual physical inventory of property of the System shall be made each fiscal year in accordance with the State Purchasing and General Services Act, as amended (Article 601b, Vernon's Texas Civil Statutes), and in compliance with appropriate regulations issued thereunder. The chief business officer of each component institution shall issue the necessary implementing instructions.
- 2.2 Department heads are responsible for all System property in their care and for the taking of the inventory on the prescribed record forms.
- 2.3 Inventories as of August 31 include all equipment on hand as defined by the State Purchasing and General Services Commission under the State Purchasing and General Services Act. Items that are worn out or discarded shall be deleted in accordance with the regulations of the State Purchasing and General Services Commission.
- Sec. 3. Motor Vehicles.
- 3.1 Any motor vehicles permitted under State law to be owned and operated by the System shall be used only on official business. Each vehicle shall carry an inscription on both sides as prescribed by law.

CHAPTER VII

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- 2.1 An actual physical inventory of property of the System shall be made each fiscal year in accordance with the State Property Act, as amended (Article 6252-6, Vernon's Texas Civil Statutes), and in compliance with appropriate regulations issued thereunder. The chief business officer of each component institution shall issue the necessary implementing instructions.
- 2.2 Department heads are responsible for all System property in their care and for the taking of the inventory on the prescribed record forms.
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Sec. 3. Motor Vehicles.

- 3.1 Any motor vehicles permitted under State law to be owned and operated by the System shall be used only on official business. Each vehicle shall carry an inscription on both sides as prescribed by law.

- 3.2 As required by statutes, a daily report shall be prepared by the person using the vehicle on the forms approved by the State Auditor and shall be filed within ten days in a central location designated by the chief business officer.
- 3.3 The operators of System-owned vehicles must hold, at their expense, an appropriate operator's license for the type of vehicle operated.
- 3.4 System-owned vehicles are subject to the compulsory inspection required by law.
- 3.5 It shall be the obligation of the chief business officer of each of the component institutions to see that all employees who are required to drive System-owned vehicles are fully informed of their personal responsibility and liability for their negligent operation.
- 3.6 Each component institution shall be cognizant of and render reports on operation of motor vehicles as required by the current appropriations bill.

Sec. 4. Insurance on Property of the System.

- 4.1 The following types of insurance coverage shall be maintained on a System-wide basis:
  - Fire and Extended Coverage Insurance
  - Boiler and Machinery Insurance
  - Blanket Position (Fidelity) Bond] may be one
  - Money and Securities Insurance ] policy
  - Motor Vehicle Liability Insurance
  - on Stated Owned Vehicles
- 4.2 The terms of the policies covering the risks indicated above are negotiated by the Executive Director for Finance and Administration in accordance with procedures approved by the Chancellor and the Board.
- 4.3 When it is necessary or advisable to insure risks on a basis other than System-wide, insurance policies covering such risks shall be approved by the

Executive Director for Finance and Administration on an individual basis upon recommendation by the chief business officer of the component institution affected.

4.4 At the time a loss occurs applicable to either System-wide or individual insurance policies, the Executive Director for Finance and Administration shall be notified by the chief business officer, and shall approve all loss claims and settlements. Any settlement over \$2,000 and under \$10,000 shall be reported to the Board for ratification. Settlements in the amount of \$10,000 or more must have the approval of the Board.

Sec. 5. Safe and Vault Combinations.--The combinations to all vaults and safes used by component institutions shall be filed under seal with the chief business officer.

Sec. 6. Police and Security Officers.

6.1 Police and other security officers are employed at the component institutions to protect and safeguard the property of the institution.

6.2 Employees shall cooperate in the security program by exercising caution to safeguard the equipment and supplies in their offices.

Sec. 7. Telephones.--The director of physical plant, or the chief business officer, shall be responsible for the installation of telephones and the administration of all telephone facilities. Personal toll calls shall not be charged to institutional telephones. Charges for telephones and toll calls shall be under the supervision of the persons named above.

Sec. 8. Disposal of Property of the System.

8.1 Whenever any item of equipment becomes obsolete or useless for the needs and purposes of the department concerned, a written report of such fact shall be made to the chief business officer. Upon receipt of such report, it shall be the responsibility of the chief business officer to determine whether or not

such item of equipment is needed by any other department and, if so, to transfer and assign the equipment to such department.

- 8.2 If the chief business officer shall determine that the equipment is not needed for any department and that it is not practicable to store the equipment for possible future use, he shall proceed to sell the item concerned.
- 8.3 For items of little value or limited use where sale on competitive bids is not practicable, the chief business officer shall have the authority to dispose of the property on the basis of negotiated bids in amounts under \$2,000.
- 8.4 Sale of property estimated to bring \$2,000 or more shall be made on a basis of competitive bids.
- 8.5 Sales in amount of \$10,000 or more shall be approved in advance by the Chancellor and ratified by the Board through the institutional docket.
- 8.6 Sealed bid sales of surplus equipment or abandoned property may be made to employees of the System or of any of its component institutions only after authorization by the chief administrative officer and approval of the Chancellor. Such sales shall be reported in the institutional docket. Such approval and reporting are not required for public auction sales of surplus equipment or abandoned property to employees of the System.

Sec. 9. Transfer of Property.--Property may be transferred from one State agency to another when it becomes surplus. Such transfers from one component institution to another, or from a component institution to another State agency shall have the advance approval of the chief business officer concerned and shall be reported to the chief administrative officer. The chief business officer or his delegate shall advise departments and administrative offices as to the procedure to be followed in disposing of or acquiring property by this means.

Sec. 10. Disposition of Abandoned and Unclaimed Personal Property.--Abandoned and unclaimed personal property of every kind,

except vehicles and drugs, which is not being held as evidence to be used in a pending criminal case which shall remain in the custody of any component institution property manager for a period of sixty (60) days will be disposed of in the following manner:

- 10.1 The designated Property Manager shall mail a notice to the last known address of the owner of such property by certified mail, return receipt requested, if the owner is known. If the owner is unknown or, if known, does not respond to notices mailed to his last known address, then the Property Manager shall cause to be published once in the campus student newspaper (if any), or once in a paper of general circulation in the county in which the institution is located (if there is no student newspaper), a notice containing a description of the property held, the name of the owner, if known, the name and address of the officer holding the property, and the location where the property can be inspected. The notice shall also state that after the expiration of at least sixty (60) days from the date of the publication, such property, if unclaimed, will be sold, and, if scheduled, the date, time, and place of such sale.
- 10.2 All personal property which remains unclaimed at the expiration of sixty (60) days from the date of publication of the notice required by letter with Certificate of Mailing, if the owner was known, shall be deemed to be abandoned and may be sold.
- 10.3 The designated Property Manager shall sell the property which has been abandoned to the highest bidder at public sale; the Property Manager may decline the highest bid and reoffer such property for sale, if he considers such bid insufficient; he need not offer any property for sale, if, in his opinion, the probable cost of sale is in excess of the value of the property; the designated Property Manager shall deposit all proceeds of the sale into a fund which shall be designated for this purpose.
- 10.4 Any person claiming an interest in any property delivered to the designated Property Manager, which

Oct. 10, 1985

has been presumed abandoned and sold under the provisions of this section, shall be allowed to file a claim to such property with the designated Property Manager on forms and through procedures prescribed by the Property Manager; upon approval of such claim by the designated Property Manager, the owner may recover the proceeds of such sale after deducting the reasonable expense of keeping such property and the cost of the sale.

- 10.5 Proceeds of the sale, which remain unclaimed, may be used by the institution for student scholarships.
- 10.6 Vehicles, which are abandoned and unclaimed, will be disposed of in accordance with Article 4477-9a of Vernon's Texas Civil Statutes as hereafter amended.
- 10.7 Drugs in the possession of any component institutional police department will be disposed of in the manner prescribed by Article 4476-14, Section 8, of the Texas Dangerous Drugs Act and by Article 4476-15, Section 5.08, of the Texas Controlled Substances Act, or as hereafter amended.

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has been presumed abandoned and sold under the provisions of this section, shall be allowed to file a claim to such property with the designated Property Manager on forms and through procedures prescribed by the Property Manager; upon approval of such claim by the designated Property Manager, the owner may recover the proceeds of such sale after deducting the reasonable expense of keeping such property and the cost of the sale.

- 10.5 Proceeds of the sale, which remain unclaimed, may be used by the institution for student scholarships.
- 10.6 Vehicles, which are abandoned and unclaimed, will be disposed of in accordance with Article 6687-9 of Vernon's Texas Civil Statutes as hereafter amended.
- 10.7 Drugs in the possession of any component institutional police department will be disposed of in the manner prescribed by Article 4476-14, Section 8, of the Texas Dangerous Drugs Act and by Article 4476-15, Section 5.08, of the Texas Controlled Substances Act, or as hereafter amended.

CHAPTER VIII

PHYSICAL PLANT IMPROVEMENTS

Sec. 1. Major New Building Construction Exceeding the Amount of \$300,000 per Project.

*Amended  
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- 1.1 After the Board approves the construction of new buildings, the procedures shall be as follows:
  - 1.11 The Institutional Building Advisory Committee shall hold necessary hearings and make proper investigations to translate the approved academic program into priorities for new construction, with suggestions as to total project area and function, and make such recommendations to the chief administrative officer.
  - 1.12 The Institutional Building Advisory Committee shall be relieved of further direct responsibility whenever a building contract is awarded, but shall be available for consultation as the building progresses, as requested by the chief administrative officer, the Office of the Chancellor or its delegate, and the project architect.
  - 1.13 New projects shall be submitted to the Board for approval, including proposed funding, upon recommendation of the chief administrative officer, the Office of the Chancellor, or its delegate.
  
- 1.2 Project Development.
  - 1.21 The Board will employ a project architect for each new major building project at all component institutions.
  - 1.22 The chief administrative officer may appoint according to the Institutional Handbook of Operating Procedures an Ad Hoc Project Building Committee composed of but not limited to representatives of the departments or divisions that will occupy the building. The committee shall work with

- the Office of Facilities Planning and Construction to prepare a detailed program of the needs for each project.
- 1.23 The chairperson of the Institutional Building Advisory Committee, or his or her delegate, shall be an ex officio member of each Ad Hoc Project Building Committee.
- 1.24 The project architect shall be given the detailed program and will work in conjunction with the Office of Facilities Planning and Construction to prepare preliminary plans, exterior design, outline specifications, cost estimates, etc., which shall be submitted to the Board for approval upon the recommendation of the chief administrative officer, the Office of the Chancellor, or its delegate.
- 1.25 After approval of the preliminary plans, the Board shall authorize the preparation of the working drawings and specifications. In the preparation of the final plans and specifications, the project architect shall work with the Ad Hoc Project Building Committee and the Office of Facilities Planning and Construction.
- 1.26 The final working drawings and specifications shall be submitted to the Board for approval upon the recommendation of the chief administrative officer, the Office of the Chancellor, or its delegate.
- 1.3 Bidding and Construction Phase of Project.
- 1.31 After the Board approves the final plans and specifications, the Board shall authorize the Office of Facilities Planning and Construction to advertise for bids. Advertisements for bids for buildings shall be in accordance with State law.
- 1.32 The Office of the Chancellor, or its delegate, shall receive and open bids, with the project architect and others, tabulate and study

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- the Office of Facilities Planning and Construction to prepare a detailed program of the needs for each project.
- 1.23 The chairman of the Institutional Building Advisory Committee, or his delegate, shall be an ex officio member of each Ad Hoc Project Building Committee.
- 1.24 The project architect shall be given the detailed program and will work in conjunction with the Office of Facilities Planning and Construction to prepare preliminary plans, exterior design, outline specifications, cost estimates, etc., which shall be submitted to the Board for approval upon the recommendation of the chief administrative officer, the Office of the Chancellor, or its delegate.
- 1.25 After approval of the preliminary plans, the Board shall authorize the preparation of the working drawings and specifications. In the preparation of the final plans and specifications, the project architect shall work with the Ad Hoc Project Building Committee and the Office of Facilities Planning and Construction.
- 1.26 The final working drawings and specifications shall be submitted to the Board for approval upon the recommendation of the chief administrative officer, the Office of the Chancellor, or its delegate.
- 1.3 Bidding and Construction Phase of Project.
- 1.31 After the Board approves the final plans and specifications, the Board shall authorize the Office of Facilities Planning and Construction to advertise for bids. Advertisements for bids for buildings shall be in accordance with State law and shall be published for four consecutive weeks unless the urgency, limited scope of work, or economy, as determined by the Chancellor, shall justify a lesser period of time.
- 1.32 The Chancellor, or his delegate, shall receive and open bids, with the project architect and others, tabulate and study

- such bids, and make recommendations to the Board.
- 1.33 In accordance with law, the Board will award the contracts for all work in excess of the amount of \$300,000. The contract will be signed by the contractor(s) involved and the Chairman of the Board and approved by the Board.
- 1.331 In the event the lowest bidder is found to be not responsible, or other facts and circumstances necessitate award of contract to other than the lowest bidder, the bidder(s) submitting proposal(s) lower than the bidder to whom award is proposed shall be notified of the Board's proposed decision for award.
- 1.332 If the lowest bidder fails to timely file notice of protest, the Board's proposed award will be final.
- 1.333 If the lowest bidder timely files notice of protest, the Board will hear the protest or will delegate to the Office of the Chancellor the authority to appoint a Hearing Officer who shall promptly convene and conduct a hearing and subsequently prepare and submit a report of his or her findings through the Office of the Chancellor to the Board. The Board shall make a final decision based upon the records of the hearing before the Hearing Officer.
- 1.334 The contract documents will be prepared by the Project Architect and approved by the Chancellor's Office, or its delegate, and the General Counsel for the System, or his or her delegate, before submission to the Chairman of the Board.
- 1.335 At the time contracts are awarded, additional appropriations will be made if required.
- 1.34 The Office of the Chancellor, or its delegate, shall approve contractor's

such bids, and make recommendations to the Board.

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The Board will award the contracts for all work in excess of the amount of \$300,000. The contract will be signed by the contractor(s) involved and the Chairman of the Board and approved by the Board in accordance with law.

1.331 In the event the lowest bidder is found to be not responsible, or other facts and circumstances necessitate award of contract to other than the lowest bidder, the bidder(s) submitting proposal(s) lower than the bidder to whom award is proposed shall be notified of the Board's proposed decision for award.

1.332 If the lowest bidder fails to timely state his protest of such award and requests to present evidence, the Board's proposed award will be final.

1.333 If the lowest bidder timely files notice of protest, the Board will hear the protest or will delegate to the Chancellor the authority to appoint a Hearing Officer who shall promptly convene and conduct a hearing and subsequently prepare and submit a report of his findings through the Chancellor to the Board. The Board shall make a final decision based upon the records of the hearing before the Hearing Officer.

1.334 The contract documents will be prepared by the Project Architect and approved by the Chancellor, or his delegate, and the General Counsel for the System, or his delegate, before submission to the Chairman of the Board.

1.335 At the time contracts are awarded, additional appropriations will be made if required.

1.34 The Office of the Chancellor, or its delegate, shall approve contractor's

estimates, sign change orders, and provide general supervision of all new construction. That office shall advise the Board if developments during construction require additional funds or other decisions of the Board.

- 1.35 The Office of the Chancellor, or its delegate, shall inspect the completed building and recommend final acceptance and final payment.

Sec. 2. Minor New Building Construction; Minor Repairs and Remodeling; and Construction of Improvements Other Than Buildings Involving the Expenditure of \$300,000 or Less Per Project.--

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Minor new building construction, minor repairs and remodeling of the physical plant and construction of improvements other than buildings that involve a total expenditure of \$300,000 or less per project may be handled at the component institution. However, any project involving the addition of space to the building inventory must have advance approval by the Office of the Chancellor and then be approved by the U. T. Board of Regents via standard docket procedures. If the proposed construction or renovation is to accommodate program changes requiring approval beyond the campus level, such program approvals must be secured in advance of requests for construction approval or must be included with the construction request. Funds must have been approved through standard U. T. System budgetary procedures and the project must have been approved by the institution's director of physical plant, chief business officer, and chief administrative officer. All contracts for minor new building construction, minor repairs, or remodeling shall be let on a standard form contract approved by the Office of Facilities Planning and Construction and the Office of General Counsel and shall be submitted to the Board of Regents through the institutional docket. Any such contract that involves the expenditure of more than \$25,000 shall be submitted to the Office of General Counsel for approval as to form prior to its execution by the institution.

Editorial Amendment  
Issued January 1988

estimates, sign change orders, and provide general supervision of all new construction. That office shall advise the Board if developments during construction require additional funds or other decisions of the Board.

- 1.35 The Office of the Chancellor, or its delegate, shall inspect the completed building and recommend final acceptance and final payment.

*Amended  
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Sec. 2. Minor New Building Construction; Minor Repairs and Remodeling; and Construction of Improvements Other Than Buildings Involving Less than \$300,000 per Project.--- Minor new building construction, minor repairs and remodeling of the physical plant and construction of improvements other than buildings that involve a total expenditure of \$300,000 or less per project may be handled at the component institution. However, any project involving the addition of space to the building inventory must have advance approval by the Office of the Chancellor and then be approved by the U. T. Board of Regents via standard docket procedures. If the proposed construction or renovation is to accommodate program changes requiring approval beyond the campus level, such program approvals must be secured in advance of requests for construction approval or must be included with the construction request. Funds must have been approved through standard U. T. System budgetary procedures and the project must have been approved by the institution's director of physical plant, chief business officer, and chief administrative officer. All contracts for minor new building construction, minor repairs, or remodeling shall be let on a standard form contract approved by the Office of Facilities Planning and Construction and the Office of General Counsel and shall be submitted to the Board of Regents through the institutional docket. Any such contract that involves the expenditure of more than \$25,000 shall be submitted to the Office of General Counsel for approval as to form prior to its execution by the institution.

Sec. 3. Major Repairs and Remodeling and Improvements Other than Buildings.

3.1 Any repair or remodeling project of the physical plant or construction of improvements other than buildings involving an estimated expenditure that exceeds \$300,000 shall be deemed a construction project and shall be handled under the procedures set out in Section 1. A repair or remodeling project or a project that involves the construction of improvements other than buildings that does not exceed \$300,000 may be handled at the component institution in accordance with the procedures set out in Section 2 of this Chapter.

*Amended  
10/13/83*

3.2 Unless otherwise approved by the Board, the procedures and regulations pertaining to new building construction shall apply to major repairs and remodeling projects.

Sec. 4. Professional Services.--Each component institution is authorized to make use of architects, engineers, and other professional services up to a maximum cost of \$25,000 with the approval of the Executive Director for Finance and Administration and the Office of the Chancellor on recommendation of the chief administrative officer and the chief business officer.

Sec. 5. Constitutional and Legislative Restrictions.

- 5.1 Section 18, Article VII, of the Texas Constitution requires approval by the Legislature, or an agency designated by the Legislature, prior to the construction of physical improvements financed by bonds authorized under this section at the component institutions other than The University of Texas at Austin and at El Paso.
- 5.2 New construction projects not otherwise authorized by law, in excess of \$300,000 and all major repair and rehabilitation projects in excess of \$300,000, must be approved by the Coordinating Board, Texas College and University System as to purpose and gross dimensions. Format for submission will be as prescribed by the Coordinating Board. Submission will be prepared by the component institution, in consultation with and assisted by the Office of Facilities Planning and Construction, if necessary, and forwarded to System Administration for review, approval and handling of submission. It is the objective to submit the necessary documents to the Coordinating Board when the project scope and estimated cost are sufficiently defined to meet the Coordinating Board's requirements for approval. Normally, submission will be made when the Board approves preliminary plans and specifications and the related cost estimate.

Sec. 6. Modification of Bids.

- 6.1 No bid shall be changed, amended, or modified by telegram or otherwise after the deadline for bid filing set out in the advertisement for bids in connection with the construction or erection of permanent improvements at any of the component

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Professional Services.--Each component institution is authorized to make use of architects, engineers, and other professional services up to a maximum cost of \$25,000 with the approval of the Executive Director for Finance and Administration and the Office of the Chancellor on recommendation of the chief administrative officer and the chief business officer.

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- Sec. 4. Professional Services.--Each component institution is authorized to make use of architects, engineers, and other professional services up to a maximum cost of \$10,000 with the approval of the Executive Director for Finance and Administration and the Office of the Chancellor on recommendation of the chief administrative officer and the chief business officer.
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- Editorial  
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10/13/83*
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institutions of the System under Section 51.907,  
Texas Education Code, V.T.C.S.

- 6.2 The substance of this requirement shall be stated in the advertisement for such bids; provided, however, that this requirement shall not be construed to prohibit the submission of filing of more than one separate and independent bid by any bidder.

Sec. 7. Institutional Building Advisory Committees.

- 7.1 At each of the component institutions there shall be an Institutional Building Advisory Committee.
- 7.2 The committee shall be appointed by the chief administrative officer in the same manner as other institution-wide committees are appointed.
- 7.3 The composition of the institutional building advisory committee shall be set forth in the institutional Handbook of Operating Procedures of each component institution.
- 7.4 A representative appointed by the Office of the Chancellor and the chief business officer of the institution shall be ex officio members of such committee.

institutions of the System under Article 2593,  
Revised Civil Statutes of Texas, 1925.

- 6.2 The substance of this requirement shall be stated in the advertisement for such bids; provided, however, that this requirement shall not be construed to prohibit the submission of filing of more than one separate and independent bid by any bidder.

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- 7.3 The composition of the institutional building advisory committee shall be set forth in the institutional Handbook of Operating Procedures of each component institution.
- 7.4 A representative appointed by the Office of the Chancellor and the chief business officer of the institution shall be ex officio members of such committee.

CHAPTER IX

MATTERS RELATING TO INVESTMENTS, TRUSTS, AND LANDS

Sec. 1. Authorizations re Sales, Assignments, Conveyances, Receipt of Property, and Proxies.

- 1.1 Authority to Purchase, Exchange, and Sell Securities for and on Behalf of the Permanent University Fund (hereinafter sometimes referred to as "PUF") and the Board.--The Chancellor, or his or her delegate, the Executive Vice Chancellor for Asset Management, and the Director for Investments are authorized to purchase, exchange, and sell any and all securities for and on behalf of the PUF or the Board, and to execute all related state government documents. In addition, external investment managers appointed by the Board of Regents may purchase, sell, or exchange securities, pursuant to written agreement with the Board of Regents, from funds designated from the PUF, the Common Trust Fund, the Medical Malpractice Self-Insurance Fund, or any funds held in trust.
  
- 1.2 Authority to Assign and Transfer Securities Owned by the PUF and the Board.--The Chancellor, or his or her delegate, the Executive Vice Chancellor for Asset Management, the Director for Endowments and Trusts, the Comptroller and Associate Comptroller, and the Trust Officer may each assign and transfer any and all securities of any description whatever and execute any and all documents necessary to the consummation of any sale, assignment, or transfer of any securities registered in the name of the PUF or the Board, or in any other form of registration of such securities held for the account of the PUF or the Board in whatever manner, including all fiduciary capacities and including those registered in the names of trusts or foundations managed and controlled by said Board. In addition, custodian banks appointed by the Executive Vice Chancellor for Asset Management may assign and transfer securities and execute any and all documents necessary to the consummation of any sale, assignment, or transfer of any security owned by the Board.

- 1.3 Authority to Execute Instruments Relating to Land and Mineral Interests.--The Chairman of the Board, the Vice-Chairmen, the Chancellor, or his or her delegate, and the Executive Vice Chancellor for Asset Management are each authorized to execute conveyances, deeds, surface and/or mineral leases, easements, rights-of-way, oil and gas division orders, and transfer orders, geophysical and material source permits, water contracts, pooling and unitization agreements, and any other instruments as may be necessary or appropriate from time to time, relating to the handling, management, control, and disposition of any real estate or mineral interest held or controlled by the Board as a part of the PUF or as a part of any trust or special fund.
- 1.4 Authority to Receive and Collect Money and/or Property.--The Chancellor, the Executive Vice Chancellor for Asset Management, and the Director for Endowments and Trusts are each authorized and empowered to ask, demand, collect, recover, and receive any and all sums of money, debts, dues, rights, property, effects, or demands, whatever, due, payable, or belonging, or that may become due, payable, or belonging to any of the above funds from investment transactions, from any person or persons, whatever, and to execute any and all necessary or proper receipts, releases, and discharges therefor.
- 1.5 Authority to Execute Proxies and Consent to Modifications in Bond Indentures.--The Chancellor, or his or her delegate, the Executive Vice Chancellor for Asset Management, the Director for Investments, the Director for Endowments and Trusts, and the Investment Officers are each authorized to consent to modifications in bond indentures and to execute proxies within the approved investment policies.
- 1.6 Authority to Deliver and Maintain Securities in Book-Entry Form.--Securities owned by the PUF or the Board may be delivered and maintained by a custodian bank or a member bank of the Federal Reserve System in book-entry form subject to applicable law.

Sec. 2. Policy for Investment and Management of the PUF.

- 2.1 The policies for the investment of funds for the Permanent University Fund shall be those outlined in The Permanent University Fund Investment Policy Statement.
- 2.2 Advice of Investment Advisory Committee.--The Chancellor, the Executive Vice Chancellor for Asset Management, and the Director for Investments shall seek the advice and counsel of the Investment Advisory Committee at its regular quarterly meetings and at other times as appropriate on all of the major matters involving the PUF.
- 2.3 Reports to the Regents' Land and Investment Committee.
  - 2.31 All purchases, sales, and exchanges of investments shall be reported for ratification by the Board through the Regents' Land and Investment Committee.
  - 2.32 The investment performance of the Fund, as measured by an unaffiliated organization, shall be reported to the Regents' Land and Investment Committee at least annually.
  - 2.33 The nature and extent of any investments in or business transacted with any firm with which a member of The University of Texas System investment staff is affiliated will be reported to the Regents' Land and Investment Committee annually.
  - 2.34 The Fund's investment in U. S. companies with substantive investments or operations in South Africa will be reported to the Regents' Land and Investment Committee semiannually in combination with the status review of these firms' effective compliance with the spirit of the six key elements of the Sullivan Principles.
  - 2.35 All proxy votes on the social issue of investment and corporate conduct in South Africa will be reported to the Regents' Land and Investment Committee.

- 2.4 The Chancellor, the Executive Vice Chancellor for Asset Management, or the Director for Investments are each authorized to take any and all steps as may be considered necessary or advisable to protect the interest of the PUF in event of default or any other significant changes occurring with respect to any investment.
- 2.5 Policies with Respect to Stock Rights, Fractional Shares, and Proxies.
- 2.51 Exercise of or sale of stock rights and warrants is to be made at the discretion of the Chancellor, the Executive Vice Chancellor for Asset Management, the Director for Investments, or the Investment Officers. Stock rights or warrants which arise in connection with funds under control of an unaffiliated investment manager shall be handled by that manager at its discretion.
- 2.52 Fractional shares which arise in connection with funds under control of an unaffiliated investment manager or the System investment staff shall be handled by that manager or the staff at its discretion.
- 2.53 As a general rule, voting stocks held are to be voted by returning proxies to present management. When the Director for Investments or the Director for Endowments and Trusts determines that a vote with management would not be in the shareholder's best financial interest, or when a proposal under consideration is of a social nature, the matter will be referred to the Chancellor or the Executive Vice Chancellor for Asset Management, or, in the event both of them are absent, to the Chairman of the Land and Investment Committee. Voting on the issue of investments and corporate conduct in South Africa shall correspond to the Regents' Policy Statement on South African Issues adopted by the Board at its February 1986 meeting.
- 2.6 Exchange of Bonds.--The Chancellor, the Executive Vice Chancellor for Asset Management, the Director for Investments, and the Investment Officers are each authorized to exchange bonds owned, from time to time, on a par for par basis (with such cash adjustments as may be required) for other eligible bonds or obligations. In any such exchange the cost of the bonds exchanged out (plus or minus the cash adjustments

involved) shall be carried forward as the cost of the bonds or obligations acquired, even though the sale and purchase may be effected through different brokers. Such sales and purchases may be considered as exchanges provided there has been an improvement in book yield.

Sec. 3. Policy for Investment and Management of Trust and Special Funds.

- 3.1 Unless otherwise limited by the terms of the instrument by which the fund was created, trust and special funds under the control of the Board shall be invested and reinvested in such securities and investments as are permitted by the Texas Trust Code (Subtitle B, Title 9, Texas Property Code) as legal investments for funds held by trustees. The policies for the investment of funds for the Professional Medical Malpractice Self-Insurance Plan shall be those outlined in the Medical Malpractice Self-Insurance Fund Investment Policy Statement.
- 3.2 The provisions of Sections 2.2, 2.3, 2.4, 2.5 and 2.6, with respect to the investment and management of the PUF, shall likewise apply to trust and special funds except that Subsection 2.32 shall be applied only when appropriate comparisons and significant amounts are involved.
- 3.3 Trust funds will be managed separately and not commingled with the Common Trust Fund if the terms of the instrument by which the fund was created or documents and instructions from the donor preclude investment through the Common Trust Fund. In addition, non-marketable securities held by a trust fund may be recorded as separately invested. All other endowment funds will be invested through the Common Trust Fund.

Sec. 4. Policy for Investment and Management of the Common Trust Fund.

- 4.1 The policies for the investment of funds for the Common Trust Fund shall be those outlined in The Common Trust Fund Investment Policy Statement.
- 4.2 The provisions of Sections 2.2, 2.3, 2.4, 2.5 and 2.6, with respect to the investment and management of the PUF, shall likewise apply to the Common Trust Fund.

- Sec. 5. Investment Advisory Committee.--The Investment Advisory Committee is and has been established in order to assist and advise the Chancellor, the Executive Vice Chancellor for Asset Management, and the Director for Investments with respect to matters relating to the management of investments. The following rules shall apply to such Committee:
- 5.1 Membership.--Six members of the Committee shall be selected because of their particular qualifications and experience in the field of investments, including experience in bond and corporate stock investments.
  - 5.2 Selection Procedure.--Appointments to such Committee shall be made by the Board after recommendation by the Chancellor.
  - 5.3 Term of Office.--Each member shall serve a three-year term, with the terms of two members expiring each August 31. A member is eligible for reappointment to a consecutive three-year term, but may not be reappointed thereafter without a three-year break in service.
  - 5.4 Meetings.--Meetings shall be held quarterly and at such other dates as may be considered advisable by the Chancellor and the Executive Vice Chancellor for Asset Management.
- Sec. 6. Investment Transactions.--Sales, purchases, and exchanges shall be effected through investment dealers or brokers in accordance with the Permanent University Fund and the Common Trust Fund Investment Policy Statements.

CHAPTER IX

MATTERS RELATING TO INVESTMENTS, TRUSTS, AND LANDS

Sec. 1. Authorizations re Sales, Assignments, Conveyances, Receipt of Property, and Proxies.

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1.1 Authority to Purchase, Exchange, and Sell Securities for and on Behalf of the Permanent University Fund of The University of Texas System (hereinafter sometimes referred to as "PUF") and the Board.--The Chancellor, or his delegate, the Executive Vice Chancellor for Asset Management, and the Executive Director for Investments and Trusts are authorized to purchase, exchange, and sell any and all securities for and on behalf of the PUF or the Board, and to execute any and all documents necessary to the consummation of any purchases or exchanges. In addition, Investment Counselors appointed by the Board of Regents may purchase, sell, or exchange securities from funds designated from the PUF and the Common Trust Fund in accordance with such Counselor's contracts.

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1.2 Authority to Assign and Transfer Securities Owned by the PUF and the Board.--The Chancellor, the Executive Vice Chancellor for Asset Management, the Executive Director for Investments and Trusts, the Comptroller and Associate Comptroller, and the Trust Officer may each assign and transfer any and all securities of any description whatever and execute any and all documents necessary to the consummation of any sale, assignment, or transfer of any securities registered in the name of the PUF or the Board, or in any other form of registration of such securities held for the account of the PUF or the Board in whatever manner, including all fiduciary capacities and including those registered in the names of trusts or foundations managed and controlled by said Board.

- 1.3 Authority to Execute Instruments Relating to Land and Mineral Interests.--The Chairman of the Board, the Vice-Chairmen, the Chancellor, or his delegate, and the Executive Vice Chancellor for Asset Management are each authorized to execute conveyances, deeds, surface and/or mineral leases, easements, rights-of-way, oil and gas division orders, and transfer orders, geophysical and material source permits, water contracts, pooling and unitization agreements, and any other instruments as may be necessary or appropriate from time to time, relating to the handling, management, control, and disposition of any real estate or mineral interest held or controlled by the Board as a part of the PUF or as a part of any trust or special fund.
- 1.4 Authority to Receive and Collect Money and/or Property.--The Chancellor, the Executive Vice Chancellor for Asset Management, and the Executive Director for Investments and Trusts are each authorized and empowered to ask, demand, collect, recover, and receive any and all sums of money, debts, dues, rights, property, effects, or demands, whatever, due, payable, or belonging, or that may become due, payable, or belonging to any of the above funds from investment transactions, from any person or persons, whatever, and to execute any and all necessary or proper receipts, releases, and discharges therefor.
- 1.5 Authority to Execute Proxies.--The Chancellor, or his delegate, the Executive Vice Chancellor for Asset Management, and the Executive Director for Investments and Trusts, and the Investment Officer and the Director of Stock Research are each authorized to execute proxies within the approved investment policies.
- 1.6 Authority to Purchase, Sell, and Transfer Book-Entry United States Government and Government Agency Securities.--The Chancellor, or his delegate, the Executive Vice Chancellor for Asset Management, and the Executive Director for Investments and Trusts, or the Investment Officer of The University of Texas System may direct a member bank of the Federal Reserve System to purchase, sell, or transfer any United

States Government or Government Agency securities in book-entry form for the Permanent University Fund of The University of Texas System and for the Board of Regents of The University of Texas System.

Sec. 2. Investment Policy for PUF.

- 2.1 Investments Authorized for Purchase.
  - 2.11 Bonds of the United States, the State of Texas or counties, cities, or school districts of the State of Texas, or in bonds issued under and by virtue of the Federal Farm Loan Act approved by the President of the United States, July 17, 1916, and amendments thereto.
  - 2.12 Bonds or other obligations issued, insured, or guaranteed in any manner by the United States Government or any of its agencies.
  - 2.13 Bonds, debentures, or obligations and preferred and common stocks issued by corporations, associations, or other institutions.
  - 2.14 Convertible securities, of all kinds, issued by corporations whose common stock is eligible for purchase by the Permanent University Fund.
  
- 2.2 Standards as to Quality.
  - 2.21 Corporate Stocks:
    - 2.211 Stocks eligible for purchase shall be restricted to stocks of companies incorporated within the United States which have paid dividends for five (5) consecutive years or longer immediately prior to the date of purchase.
    - 2.212 Except for bank and insurance shares, stock must be listed upon an exchange registered with the Securities and Exchange Commission or its successors.

*subsection 2.213  
deleted 10/10/85*

States Government or Government Agency securities in book-entry form for the Permanent University Fund of The University of Texas System and for the Board of Regents of The University of Texas System.

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    - 2.212 Except for bank and insurance shares, stock must be listed upon an exchange registered with the Securities and Exchange Commission or its successors.
    - 2.213 Common Stocks are eligible for purchase if they are rated "B" or higher by Standard and Poor's Corporation. Stocks not rated by Standard and Poor's may be purchased if, in the opinion of the Investment Staff, they are of comparable

- 2.22 Corporate Obligations and Preferred Stocks.-- Corporate Bonds and Preferred Stocks must be "Baa" or higher as rated by Moody's Investors Service, Inc. or "BBB" by Standard and Poor's Corporation. Bonds or preferred stocks offered by private placement and not rated may be purchased if, in the opinion of the University's Investment Staff or Investment Counselor, they are of at least equal quality to publicly offered bonds and preferred stock eligible for purchase. Commercial Paper must be rated in the two highest quality classes by Moody's Investors Service, Inc. or Standard and Poor's Corporation to be eligible for purchase.
- 2.3 Diversification.
- 2.31 Not more than 5% of the voting stock of any one (1) corporation shall be owned at any given time by the PUF.
- 2.32 Not more than 1% of the book value of the PUF shall be invested at any given time in securities issued by any one (1) corporation.
- 2.4 Standard of Care/Prudent Person Rule\*.--In making or retaining each and all investments for the PUF and in the management, purchase, and sale of such investments from time to time, there shall be exercised the judgment and care under the circumstances then prevailing that persons of ordinary prudence, discretion, and intelligence exercise in the management of their own affairs, not in regard to speculation, but in regard to the permanent disposition of their funds, considering the probable income therefrom as well as the probable safety of their capital.

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\*Refers to the rule set out in the second paragraph of Article VII, Section 11a, Texas Constitution.

quality to stocks rated "B" or higher by Standard and Poor's. An Investment Counselor shall obtain written approval of the Investment Staff before purchasing a stock which is not rated by Standard and Poor's.

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\*Refers to the rule set out in the second paragraph of Article VII, Section 11a, Texas Constitution.

- 2.5 Policies with Respect to Stock Rights, Fractional Shares, and Proxies.
- 2.51 Exercise of or sale of stock rights is to be made at the discretion of the Chancellor, the Executive Vice Chancellor for Asset Management, or the Executive Director for Investments and Trusts. Stock rights which arise in connection with funds under control of an investment counselor shall be handled by that counselor in its discretion.
- 2.52 As a general rule, fractional shares received from stock dividends, etc., are to be sold. In each instance, the decision to round out fractional shares or to sell will be made by the Chancellor, the Executive Vice Chancellor for Asset Management, or the Executive Director for Investments and Trusts. Fractional shares which arise in connection with funds under control of an investment counselor shall be handled by that counselor in its discretion.
- 2.53 As a general rule, voting stocks held are to be voted by returning proxies to present management. When the Executive Director for Investments and Trusts determines that a vote with management would not be in the shareholder's best financial interest, or when a proposal under consideration is of a social nature, the matter will be referred to the Chancellor and the Executive Vice Chancellor for Asset Management, or, in the event both of them are absent, to the Chairman of the Land and Investment Committee.
- 2.6 Exchange of Bonds.--The Chancellor, the Executive Vice Chancellor for Asset Management, and the Executive Director for Investments and Trusts are each authorized to exchange bonds owned, from time to time, on a par for par basis (with such cash adjustments as may be required) for other eligible bonds or obligations. In any such exchange the cost of the bonds exchanged out (plus or minus the cash adjustments involved) shall be carried forward as the cost of the bonds or obligations acquired, even though the sale and purchase may be effected through different brokers. Such sales and purchases may be considered as exchanges provided there has been an improvement in book yield.

- 2.7 Advice of Investment Advisory Committee.--The Chancellor, the Executive Vice Chancellor for Asset Management, and the Executive Director for Investments and Trusts shall seek the advice and counsel of the Investment Advisory Committee at its regular quarterly meetings on all of the major matters involving the PUF.
- 2.8 Reports of Purchases, Sales, and Exchanges of Investments.--All purchases, sales, and exchanges of investments shall be reported for ratification by the Board through the Regents' Land and Investment Committee.
- 2.9 U.S. Government Insured Mortgages F.H.A., V.A., or Any Other Mortgage Loans Fully Guaranteed by the United States Government or Any Agency Thereof.
- 2.91 Minimum standards set up by F.H.A. or V.A. shall be adhered to, and adequate Title and Hazard insurance policies must be carried by borrower. The policy of hazard insurance must be issued by an underwriter rated "A" or better by the then current issue of "Best's Insurance Reports: Property Casualty."
- 2.92 Implementation of Mortgage Loan Program: The Chancellor, the Executive Vice Chancellor for Asset Management, or the Executive Director for Investments and Trusts are each authorized to purchase insured mortgage loans and to execute such documents necessary in conducting a mortgage loan program, including the execution of assignments of any notes and liens when appropriate to do so.
- 2.93 The Chancellor, the Executive Vice Chancellor for Asset Management, or the Executive Director for Investments and Trusts are each authorized to take any and all steps as may be considered necessary or advisable to protect the interest of the PUF in event of default occurring with respect to any guaranteed loans, including the power to acquire title on behalf of the Board to the property securing any such note and to execute on behalf of the Board the necessary deed conveying the properties to the U.S. Government or department or agency thereof.

- 2.94 Minimum Standards for Seller-servicers from which F.H.A or V.A. Loans are Purchased:
- 2.941 The Seller-servicer must be an approved F.H.A. or V.A. mortgagee and must have satisfactory credit rating and an unimpaired capital and surplus of at least \$1,000,000.
- 2.942 It must have been actively engaged for at least five years in the mortgage loan business, and except for commercial bank, the mortgage loan business must be its principal business and must have a capable and experienced organization, together with the necessary equipment to furnish timely accounting on a block basis.
- 2.943 It must be servicing at least \$100,000,000 of loans, and its clients (other than Federal National Mortgage Association) must include at least three institutional investors and must have a capability of producing not less than \$10,000,000 per year in F.H.A. or V.A. loans.
- 2.944 It must carry a Mortgage Bankers Blanket Bond in an amount not less than \$500,000.

Sec. 3. Investment Policy for Trust and Special Funds.

- 3.1 Investments Authorized for Purchase.--Unless otherwise limited by the terms of the instrument by which the fund was created, trust and special funds under the control of the Board shall be invested and reinvested in such securities and investments as are permitted by the Texas Trust Act as legal investments for funds held by trustees.
- 3.2 The provisions of Sections 2.6, 2.7, 2.8, and 2.9, with respect to the investment and management of the PUF, shall likewise apply to trust and special funds.

Sec. 4. Investment Policy for Common Trust Fund.--The policies for the investment and management of funds for the System Common Trust Fund shall be the same as those outlined in Section 3 with respect to trust and special funds.

Sec. 5. Staff Investment Committee.

- 5.1 Membership.--The Staff Investment Committee shall consist of the Executive Director for Investments and Trusts, the Investment Officer, and such other members as may be designated from time to time by the Chancellor.
- 5.2 Duties.--The Staff Investment Committee shall cooperate with and advise the Chancellor and the Executive Vice Chancellor for Asset Management on matters relating to the management of investments.

Sec. 6. Investment Advisory Committee.--The Investment Advisory Committee is and has been established in order to assist and advise the Chancellor, the Executive Vice Chancellor for Asset Management, and the Executive Director for Investments and Trusts with respect to matters relating to the management of investments for which said Executive Director is responsible. The following rules shall apply to such Committee:

- 6.1 Membership.--Six members of the Committee shall be selected because of their particular qualifications and experience in the field of investments, including experience in bond and corporate stock investments.
- 6.2 Selection Procedure.--Appointments to such Committee shall be made by the Board after recommendation by the Chancellor.
- 6.3 Term of Office.--Each member shall serve a three-year term, with the terms of two members expiring each August 31. A member is eligible for reappointment to a consecutive three-year term, but may not be reappointed thereafter without a three-year break in service.
- 6.4 Meetings.--Meetings shall be held quarterly and at such other dates as may be considered advisable by the Chancellor and the Executive Vice Chancellor for Asset Management.

Sec. 7. Investment Transactions.--Sales, purchases, and exchanges shall be effected through investment dealers or brokers in accordance with normal investment practices.

CHAPTER X

AUXILIARY ENTERPRISES

- Sec. 1. Auxiliary Enterprises are those operated primarily for service to students and staff. Such enterprises are expected to be self-supporting. Examples of such enterprises are residence halls, dining halls, student hospitals, student unions, book stores, and any activities supported from fees collected as Student Activities Fees, whether such fees are optional or mandatory.
- Sec. 2. Annual budgets for these activities shall be prepared and submitted through regular administrative channels, and expenditures shall be within budgets approved by administrative officials and the Board. Income of Auxiliary Enterprises is not deposited with the State Treasury, however, and any balances or deficits at the end of a fiscal year may be reappropriated for the succeeding year.
- Sec. 3. With the exception of intercollegiate athletic departments, to which the general and special provisions of the Appropriations Bill do not apply, the same regulations and applicable laws shall govern as apply to the budgeting and expenditure of general funds unless otherwise specifically authorized. The Board, upon recommendation of appropriate administrative officials, approves the regulations for the management and operation of athletic departments.
- Sec. 4. Rentals and related policies and rates for dormitories and housing facilities shall be approved in advance by the chief administrative officer, the Office of the Chancellor, and the Board.
- Sec. 5. Rules and regulations for the administration of dormitories, other housing facilities, dining halls, and other eating facilities, shall be promulgated by administrative officials and the chief administrative officer at the institution concerned.
- Sec. 6. The money values of meals, lodging, and other services the employees are authorized to receive in lieu of additional

wages or salary, are recommended to the chief administrative officer by the chief business officer and approved by the Office of the Chancellor and the Board.

- Sec. 7. Statutory Provisions Currently in Effect.--Auxiliary Budgets shall comply with statutory provisions and rider provisions of current Appropriations Bill.
- Sec. 8. Student Publications.--Rules and regulations for the establishment, administration and operation of student publications shall be promulgated by administrative officials and the chief administrative officer at the institution concerned, provided that such rules and regulations shall not be effective until approved by the Office of the Chancellor for inclusion in the institutional Handbook of Operating Procedures.
- Sec. 9. Student Union Facilities.--Rules and regulations for the establishment, administration and operation of student union facilities shall be promulgated by administrative officials and the chief administrative officer at the institution concerned, provided that such rules and regulations shall not be effective until approved by the Office of the Chancellor for inclusion in the institutional Handbook of Operating Procedures.
- Sec. 10. Intercollegiate Athletics Programs.--Rules and regulations governing the establishment, administration and operation of intercollegiate athletics programs shall be promulgated by administrative officials and the chief administrative officer at the institution concerned, provided that such rules and regulations shall not be effective until approved by the Office of the Chancellor for inclusion in the institutional Handbook of Operating Procedures.
- Sec. 11. Employment of a Students' Attorney.
- 11.1 If an attorney is retained in any manner by a component institution or by a Students' Association or other agency of student government at any component institution of the System to serve as a students' attorney, said attorney shall not act as counsel of record nor represent any student, faculty member, or staff member, or any group or combination of students, faculty members, or staff members, or

System Administration or any component institution of the System:

- 11.11 In any matter that requires an administrative decision to be made by any officer, committee, board, or agency of a component institution of the System, the System, or the Board.
- 11.12 At any stage of any criminal proceeding in any federal, state, county, or local court.
- 11.13 At any stage of any civil proceeding in any federal, state, county, or local court where such proceeding is directly or indirectly against or antagonistic to the interests of the System or any component institution thereof, or against or antagonistic to the interests of any person who is sued in his official capacity as an officer of the System or any component institution thereof.

- 11.2 Any contract or agreement for legal services entered into by a Students' Association or other agency of student government or other agency of a component institution with an attorney whose remuneration will be paid from funds under the control and management of the Board, including funds from student fees whether mandatory or optional, is expressly subject to the applicable provisions of the Regents' Rules and Regulations, including, but not limited to, the foregoing provisions of this Section 11 and the following:

Section 8.7 of Chapter I of Part One;  
Section 1.1 of Chapter III of Part One;  
Section 1.3 of Chapter III of Part One;  
Section 11 of Chapter III of Part One;  
Section 5.15 of Chapter VI of Part One; and  
Section 5.21 of Chapter VI of Part One.

CHAPTER XI

CONTRACTS AND GRANTS FOR RESEARCH, TRAINING, AND  
EDUCATIONAL SERVICES, INCLUDING  
INSTITUTIONAL SUPPORT GRANTS

Sec. 1.

Initial contracts, grants, and agreements from or with outside agencies for research, training, and educational services, including institutional support grants (except as provided in Subsection 1.1 below) shall be approved by the chief administrative officer and ratified by the Board via the institutional dockets. Subsequent institutional dockets should include only the changes in these initial contracts, grants, and agreements that involve changes in funds over \$10,000. It is not necessary to report contract extensions, amendments, modifications, changes in investigators or other changes in the institutional dockets unless they increase or decrease the total original contract by more than \$10,000. Although these items will not be reported in the institutional docket, copies of such changes shall be provided to the U. T. System Comptroller.

*Amended  
4-12-84*

- 1.1 Contracts or agreements with foreign governments, agencies thereof, and with institutions, enterprises or individuals subject to the jurisdiction of foreign governments, shall be submitted to the Office of the Chancellor for prior review sufficiently in advance of effective date for prior approval of the Board, if such prior approval is deemed appropriate by the General Counsel and the Office of the Chancellor.
- 1.2 The Office of the Chancellor will issue special instructions for those contracts and grants requiring special approvals other than as provided in this section.
- 1.3 Funds shall not be encumbered or expended under any contract or grant prior to the approval of the contract or grant as indicated above.

- 1.4 Institutional support grants include NSF Institutional Grants for Science, NIH General Research Support Grants, Health Professions Education Improvement and/or Capitation Grant Programs, and other such grants awarded on a formula basis rather than a budgeted project basis.
- Sec. 2. Proposals for such contracts, grants and agreements, whether with government agencies, industry, foundations, or other private granting agencies, shall be initiated by the faculty member (or other appropriate official who will direct the work) and shall be approved by designated administrative officials, including the chief administrative officer. These proposals will receive such review and approval as directed by the Office of the Chancellor. The chief business officer at each component institution is responsible for the business aspects of the proposals.
- Sec. 3. Copies of contracts, grants, and agreements specified in Section 1 of this chapter shall be filed with the Executive Secretary to the Board, together with a copy of the proposal or application, if any, that resulted in the contract, grant, or agreement.
- Sec. 4. Detailed budgets are generally included in the proposals that result in a contract or grant for a specific research, training, or educational project, and expenditures should conform to such budgets, unless amended by authorized procedures. For those institutional or "formula" type grants identified in Subsection 1.3 of Section 1 of this chapter, a proposed budget must be submitted to the Office of the Chancellor for review, approval, and submission to the Board.
- Sec. 5. Proposals as to overhead rates and specialized rates for fringe benefits, computers, and other facilities chargeable to cost-reimbursement contracts and other government contracts and grants shall be worked out in preliminary form by the chief business officer concerned and shall be reviewed and approved by the System Comptroller before being submitted. Subject to approval of the Executive Director for Finance and Administration, the System Comptroller shall negotiate all such rates for the component institutions of the System.
- Sec. 6. Information as to overhead and specialized rates applicable to the type of contract, grant or agreement to be entered into shall be secured from the System Comptroller via the business officers and/or the appropriate research administration officer.

*page adjustment only*

*Official Copy*  
Apr. 12, 1984

Sec. 7. To the extent that indirect cost recoveries from the application of overhead rates are derived from use charges for buildings, other improvements, or equipment, the funds so derived shall be designated for renewals and replacements of plant fund assets or for other purposes specified and approved in the budgetary processes as related to the indirect cost recoveries.