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

THE UNIVERSITY SYSTEM

PART TWO

1960

Adopted by the Board of Regents on January 23, 1960
(with Amendments to February 3, 1962)
(This is referred to as the February, 1962 revision)

PART TWO

Part Two consists of rules and regulations which are fiscal in nature. These may be deleted or amended by the Board of Regents without the necessity for prior notice or action.

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CHAPTER I

GENERAL

Sec. 1. Gifts to the University

- 1.1 The authority to accept gifts to the University or to any of the component institutions is vested in the Board of Regents.
- 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 institutional head to the Chancellor and by him, with recommendations, to the Board of Regents. These provisions, however, do not apply to contracts with public agencies.
- 1.3 The authority to accept gifts to a component institution is delegated to the institutional head when the gift is to a fund, foundation, or enterprise already approved by the Board of Regents or is a continuation of a series which has been previously approved by the Board. Such gifts shall be reported to the Board arranged uniformly as prescribed by the Office of the Board of Regents by the dockets of each component institution. Unconditional gifts to Texas Western College for support of the athletic program of the college may be reported to the Board of Regents in the manner prescribed in Section 1.4 following this subsection. (Adopted April 5, 1963)
- 1.4 Each administrative head is empowered to accept cash gifts to the University of Texas of less than \$100, within the policies of the Board of Regents and Legislature governing the acceptability of gifts, and to deposit such gifts to the appropriate accounts. A semi-annual report of such gifts showing name and address of donor, amount, purpose, and date of the gift shall be filed in the Office of the Board of Regents within thirty (30) days after August 31 and February 28 of each year. Such reports from the M. D. Anderson Hospital and Tumor Institute may exclude gifts of \$25 or less (Adopted June 30, 1962)
- 1.5 Except as provided in the preceding sections, no member of any staff has the power to accept gifts of money to the University 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 promptly to the institutional head. Such gifts need not be reported to the Board.

- 1.6 The University will not 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.
- 1.7 The acceptance of gifts of real property is prohibited without prior express approval of the Legislature except for establishing scholarships, professorships, or other trust funds for educational purposes and then only on condition that such gifts must not later require legislative appropriations for maintenance, repair, or construction of buildings. (Current Appropriation Bill)

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

- 2.1 After gifts for fellowships, scholarships, and loan funds have been accepted by the Board of Regents, 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 and he, 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 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 so far as is 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. Tuition and Other Fees. -- Tuition and other fees will be fixed as prescribed or as authorized by statute, and will be set out in the institutional catalogue.

Sec. 4. Fiscal Year. -- The fiscal year of the University shall be September 1 through August 31.

Sec. 5. Policy Against Discrimination. -- With respect to the admission and education of students, with respect to the employment and promotion of teaching and non-teaching personnel, with respect to student and faculty activities conducted on premises owned or occupied by the University, and with respect to student and faculty housing situated on premises owned or occupied by the University, neither The University of Texas nor any of its component institutions shall discriminate either in favor of or against any person on account of his or her race, creed, or color. (Adopted May 16, 1964)

CHAPTER II

ACCOUNTING, AUDITING, REPORTING, AND BUDGETARY CONTROL

Sec. 1. Types of Funds.

- 1.1 General Funds. --General Funds are those unrestricted, operating funds which are available for any purpose. They are expended in accordance with the budgets and appropriations approved by the Board of Regents. General Budget Funds balances shall not be reappropriated from one fiscal year to another unless specific approval is given the institutional head and the business officer by the Chancellor and the Board of Regents.
- 1.2 Special Activities Funds. --Special Activities Funds are general funds restricted by the University; the income and expenditures are ordinarily related to a particular department. With few exceptions, expenditures are limited to the income derived from the project. They are subject to the same restrictions as General Budget Funds although balances are automatically reappropriated at the end of each fiscal year.
- 1.3 Current Restricted Funds. --Current Restricted Funds are those received from individuals, firms, agencies, corporations, etc., or income derived from private 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 of Regents. Balances at the end of a fiscal year shall be carried forward to the succeeding year unless otherwise specified.
- 1.4 Agency Funds. --Agency Funds are funds handled through the institutional business office as the agent of the owner, after approval by the institutional head, the Chancellor, and the Board of Regents through the Institutional Docket. Balances shall be carried forward from year to year unless otherwise designated. Agency Funds shall be expended in accordance with the limitations of the agency agreement and the applicable rules and regulations of the Board of Regents.

Sec. 2. Accounting.

- 2.1 The financial accounts of the University shall be kept in accordance with the recommendations of the National Committee on the Preparation of a Manual on College and University Business Administration, as set forth in Volume I of "College and University Business Administration" (1952) published by the American Council on Education. Where those recommendations conflict with statutes applicable to the University or to

official orders 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 institutional business officer and the University Comptroller.
- 2.3 The business office of each component institution shall be the central office for accounting control for all financial transactions of the institution. The institutional business officer shall confer with departmental and administrative officials and instruct them concerning the records of financial transactions to be kept by the departments.
- 2.4 Each departmental head shall keep an account of funds and property for which he is responsible, as detailed as necessary to supplement the business office records and to furnish accurate information on receipts, credits, expenditures, and other charges.
- 2.5 Records shall be kept for each fiscal year.
- 2.6 All expenditures must be in accordance with the approved budget.
- 2.7 Statements of departmental 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.
- 2.8 A person in each department may be designated by the department head, with the approval of the institutional head, to sign vouchers, requisitions, etc., in his absence. These designations shall expire at the end of a fiscal year, or sooner if specified, and must be renewed each year.

Sec. 3. Auditing.

- 3.1 The institutional business officer is initially responsible for the pre-audit of all business items. Financial transactions concerning the receipt, custody, and disbursement of moneys shall be preaudited to the extent necessary under the institutional accounting procedures and system of internal control, the fiscal regulations, and statutes or laws applicable to the University.
- 3.2 The preaudit of disbursements and other transactions shall be a part of the regular accounting procedures of the business offices. Post-audits of various units and departments shall be performed as directed by the institutional business officer or the University Comptroller.

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- 3.3 Although the University Comptroller is responsible for the internal postauditing of business transactions affecting the component institutions, this work shall be done under the supervision of the business officers of the component institutions and the Branch College Auditor.
- 3.4 The business records of accounts and other records shall be verified and authenticated within the budgets, regental actions, and statutory requirements.
- 3.5 The Branch College Auditor, under the supervision of the University Comptroller, shall be initially responsible for the postaudit of business activities at the component institutions, except the Main University. He shall conduct the audits in accordance with accepted auditing standards, including necessary tests of the records. He shall make a written report of each audit, calling attention to any transactions which may not be in accord with legal requirements, institutional accounting principles, and institutional policies and regulations.
- 3.6 The State Auditor, under State law, is responsible for the external audit of the University's books.

Sec. 4. Reporting.

- 4.1 All financial reports shall be prepared in accordance with the provisions of the statutes, official orders of Coordinating Board, Texas College and University System, and the directives of the Board of Regents and in conformity with the manual, "College and University Business Administration," referred to above. The forms shall be prepared by the institutional business officer and approved by the Vice-Chancellor for Business Affairs or his delegate.*
- 4.2 Two reports, both of which shall be prepared under the direction of the institutional business officer and the University Comptroller, shall be prepared annually by the University:
- 4.21 Annual Financial Report.--On or before December 29, printed financial reports, set up in accordance with the forms recommended in Volume I, "College and University Business Administration" (1952) shall be filed with the Coordinating Board, Texas College and University System. The certificate of audit of the State Auditor is to be included if his report has been completed.*
- 4.22 Salary Payment Report.--On or before December 31 each year, an itemized schedule 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

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and/or custody of the Board of Regents, showing 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, and a summary of all expenditures by departments. Three copies of this report shall be prepared, one copy for the Office of the Secretary of the Board of Regents, one copy for the Vice-Chancellor for Business Affairs, and one copy for the Office of the Comptroller.*

- 4.3 A monthly financial report shall be prepared by each business office and distributed to administrative officials and to the Office of the Secretary of the Board of Regents.
- 4.4 Periodic financial reports reflecting income receipts, approved budget changes, and expenditures for each component institution shall be prepared by Central Administration.*
- 4.5 Other reports, such as the quarterly report to the Bureau of the Census, may be made from time to time as well as internal reports pertaining to estimates of income, budgets, etc., but only those considered essential to effective administration shall be requested from the institutional business offices.

Sec. 5. Annual Budgets.

- 5.1 Annual Budgets for all the component institutions shall be approved by the Board of Regents within the budget estimates of income prepared by the institutional business officer and the institutional head.
- 5.2 General policies for the budget preparation shall be recommended by the Chancellor to the Board of Regents and shall be followed in preparing the budgets. Instructions for details of budget preparation shall be furnished to the institutional heads by Central Administration.
- 5.3 The institutional head 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 institutional head and transmitted, with his recommendations, to the Chancellor for review and final recommendation to the Board.
- 5.4 Rules and procedures for budget administration shall be prepared by Central Administration, approved by the Board of Regents, and shall be included in the completed budgets.

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- 5.5 A copy of each such budget, and any subsequent amendments thereto, shall be filed with the State Library to be available for public inspection.

(Subsection 5.5--Amendment No. 5 to September 1960 revision, Meeting No. 605, February 1962)

Sec. 6. Biennial Budget Requests.

- 6.1 The University shall submit biennial budget requests as may be required to the Coordinating Board, Texas College and University System, to the Legislative Budget Board, and to the Executive Budget Office in the form and at the time prescribed.*
- 6.2 These requests shall be prepared in conformity with the same general procedures as outlined above for the annual budgets:
- 6.21 Approval of budget-writing policies by the Board of Regents upon recommendation of the Chancellor.
- 6.22 Preparation of the budget of expenditures by the institutional head in conformity with these policies
- 6.23 Approval of the finished budget by the Chancellor and the Board of Regents.
- 6.3 The estimates of income shall be included in the biennial budget requests prepared by the institutional business officer and the institutional head.

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CHAPTER III

RECEIPT, CUSTODY, AND DISBURSEMENT OF MONEYS

Sec. 1. Receipts, Cash Registers, and Admission Tickets.

- 1.1 No department, division, or individual staff member is authorized to receive money in the name of the University without prior approval of the institutional business officer and institutional head.
- 1.2 An official receipt in the form prescribed by the institutional business officer shall be issued for all moneys received.
 - 1.21 Where the volume of sales justifies their use, cash registers shall be used with recording tapes listing the amount of each sale. When cash registers are not used, cash sales tickets or receipts shall include, if practical, the name of the purchaser, itemization, and price of the articles sold.
 - 1.22 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 all receipts from such sales shall be deposited in the business office as outlined later.
 - 1.23 A list showing the names of all persons receiving complimentary tickets shall be furnished the business office as a part of the prescribed ticket report.

Sec. 2. Deposits with Institutional Business Office.

- 2.1 Money received by all departments from all sources shall be deposited in the institutional business office using an official form. The deposits shall be daily if the receipts are \$50 or more, and weekly even if the accumulation is less than \$50. When cash is included, the deposit shall be made in person by a departmental representative to whom an official receipt is issued.
- 2.2 Cash overages are deposited in the business office; notations pertaining to cash over or short shall be included on the deposit form.

- 2.3 Petty cash funds for making change shall be provided only on approval of, and by arrangement of, the department with the institutional business officer. Petty cash funds from which disbursements will be made shall have the approval of the institutional head as well.

Sec. 3. Deposits with the State Treasurer.

- 3.1 The Appropriation Bill requires that all cash receipts at the Main University, at Texas Western College, and at Arlington State College be deposited in the State Treasury with the exception of those from auxiliary enterprises, noninstructional services, student service fees, student activity fees, parking fees, agency and restricted funds, endowment funds, student loan funds, and Constitutional College Building Amendment Funds.*
- 3.11 To facilitate the transferring of institutional receipts to the State Treasury, it is provided that each institution may open a clearing account in a local depository bank to which it deposits all receipts daily.
- 3.12 Not less than every seven days, the institutional business officer shall make remittances to the State Treasury in the form of checks drawn on the clearing account except that a balance of not more than \$500 may be maintained.*
- 3.13 The money deposited in the State Treasury shall be paid out via State warrants.
- 3.2 At its option, the University may use its local depository General Funds bank accounts instead of the special clearing account within the general requirements for deposits and transfers to the State Treasury.
- 3.3 The University, by law, is authorized to maintain Revolving Funds to facilitate the payment of nominal expenses - to pay bills within cash discount periods.
- 3.31 The University may use the revolving fund for regular monthly payrolls as well as for weekly and special payrolls.
- 3.32 Disbursements from the revolving funds are reimbursed from state appropriations on claims filed with the State Comptroller under regularly prescribed procedures. One voucher and one warrant may cover a number of claims for this purpose. Reimbursement claims must meet the same requirements as other claims against state appropriations. Each institution shall prepare a reimbursement claim as of the close of business on the last day of each month or more often as may be expedient to avoid maintaining large revolving funds.
- 3.33 The Board of Regents shall determine the amounts of the revolving funds and shall designate a depository bank for each such fund, specifying persons authorized to sign checks drawn on such funds. Depository banks shall secure revolving fund deposits as provided by law.

- 3.4 Under the current appropriation bill, any money deposited into the State Treasury which is subject to refund as provided by law shall be refunded from the fund into which such money was deposited.

(Subsections 3.3, 3.31, and 3.4--Amendment No. 5 to September 1960 revision, Meeting No. 605, February 1962)

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 local depository banks for safekeeping. Requests for new depository bank accounts and for any authorized signatures to be accepted by the bank must have the approval of the University Comptroller and the Chancellor who shall notify the bank and others concerned. Depository agreements with the local banks shall be negotiated by the University Comptroller with the assistance of the institutional business office and the institutional head and shall be submitted to the Chancellor and Board of Regents for approval.
- 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. Such funds are usually carried as demand deposits; however, they may be carried as time deposits at a negotiated interest rate.*
- 4.3 The Board of Regents and the institutional heads 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.

Sec. 5. Charge Sales. --The University is not allowed, by law, to sell property or service on credit.

Sec. 6. Sales to Staff Members. --Sales of University property may be made to staff members only after authorization by the Board of Regents through docket approval.

Sec. 7. Vouchers for Expenditures.

- 7.1 Main University Vouchers for disbursement of funds shall be prepared in the departmental offices at the Main University. They shall be signed by the head of the department, or someone recommended by him in writing and appointed by the Chancellor, and such vouchers shall be approved by an authorized person in the Auditor's Office.*
- 7.2 At the other component institutions, vouchers shall be prepared, where possible, in the business offices, and all vouchers shall be approved by

* Amended July 9, 1966.

the Business Manager or some person to whom he may delegate such authority.

- 7.3 Vouchers shall be prepared on State of Texas Purchase Voucher Form, consisting of five copies as follows:*
- No. 1 - For State Comptroller (if paid from State funds)
 - No. 2 - For Board of Control (if purchase through Board of Control)
 - No. 3 - For Institutional Business Office
 - No. 4 - For Institutional Department (file copy)
 - No. 5 - For return with check to vendor (sent by business office with payment)
- 7.4 Vouchers are to be coded in the business offices within the approved expenditure codes and, if payable by warrant from the State Treasurer, with the proper expenditure classifications furnished by the State Comptroller.
- 7.5 If two or more invoices from the same vendor and chargeable to the same account are to be paid, payment may be by one voucher, even though covered by more than one requisition and/or purchase order except:
- 7.51 Separate vouchers shall be prepared for contract and noncontract invoices on purchases through the Board of Control.
 - 7.52 Separate vouchers shall be prepared for invoices for purchases made through the Purchasing Division and Printing Division of the Board of Control.
- 7.6 Cash discounts and credits shall be shown in full on the vouchers and shall include the amount and number of the invoice, less discount or other credits, and the net amount. Explanations shall be made for all deductions.
- 7.7 A red "Rush - Discount" tag shall be attached to the face of the voucher and, in such cases, they shall be handled separately from other vouchers in the business office.

Sec. 8. Vouchers Payable from State Funds (All funds on deposit in State Treasury).

- 8.1 When materials, supplies, and other items are purchased through the Board of Control, four copies of the Voucher Form are submitted to the business office and Copy No. 1 (or the attached invoice) must be notarized if the amount is more than \$50.
- 8.2 If the amount is \$50 or less, either a notarization or a signed certification is required. The certification, if used, must read as follows:
- I certify under the penalty of perjury that this claim has been examined by me and to the best of my knowledge and belief is true and correct.*

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- 8.3 When purchases are not made through the Board of Control, all copies excepting Nos. 2 and 4 are submitted and Copy No. 1 (or the attached invoice) must be notarized or a certification made as indicated in the preceding paragraph.

Sec. 9. Vouchers Payable from Local Funds (All funds not on deposit in State Treasury).

- 9.1 When materials, supplies, etc., are purchased through the Board of Control, Copy No. 3 may become the original and, if so, Copy No. 1 need not be submitted unless the required notarization or certification appears thereon. Notarization or certification is required as stipulated in the preceding section entitled "Vouchers Payable from State Funds."
- 9.2 When materials are not purchased through the Board of Control, only Copies Nos. 3 and 5 need be submitted, with Copy No. 3 as the original. Notarization or certification is required.

Sec. 10. Outstanding Checks.

- 10.1 Outstanding checks shall be carried on the official accounting records for the two fiscal years following the year in which they are issued. (Example: if issued in 1963-64, they would be carried through August 31, 1966.) Those still outstanding at the end of the second fiscal year after issue shall be cancelled and written off the official accounting records.*
- 10.2 Each business office is expected to make diligent effort to minimize the number of such outstanding checks, particularly those in excess of \$10.

Sec. 11. Institutional Membership Dues. -- University funds shall be used to pay membership fees only in educational, scientific, or other associations of which the University is an institutional member, with initial memberships approved by the institutional heads and the Chancellor.

Sec. 12. Payrolls.

- 12.1 There are three general types of payrolls, those for (1) regular salaried employees; (2) weekly salaried employees; and (3) hourly salaried employees.
- 12.2 At the Main University, payrolls for all regular salaried employees, except those for Auxiliary Enterprises, shall be prepared in the Payroll Division of the Auditor's Office and approved by the Auditor or Assistant Auditor.
- 12.21 Vouchers and payrolls for weekly and hourly employees, and regular salaried employees in Auxiliary Enterprises, shall be prepared in triplicate on proper forms by the department concerned.

They shall be approved by the head of the department, or someone authorized to sign for him, and shall include the name of the payee, accurate calculations of pay, as well as the account to which charge is made.

- 12.22 Those covered by Workmen's Compensation Insurance shall be so indicated.
- 12.23 Two copies shall be transmitted to the Payroll Division for processing and for approval by the Auditor or Assistant Auditor.
- 12.3 At the other component institutions, all payrolls shall be prepared in the business office from regular budgets, appointment forms and letters, time cards, etc., and approved by the Business Manager or a person designated by him.
- 12.4 If payment for regular salaried employees is for less than a month, the salary shall be figured proportionately on the actual number of days in a given month, e.g., 28, 30, 31.
- 12.5 Deductions for income tax, teacher and employee retirement, and social security, as well as group life insurance, hospitalization insurance and income disability insurance, are made where applicable on all payrolls.*
- 12.6 Dates for distribution of salary checks vary at the component institutions and are announced by the business office.

Sec. 13. Absence from Usual and Regular Duties, Authorization for Absence, Including Travel, and Travel Expense Reimbursement.

- 13.1 Absence from Usual and Regular Duties.
 - 13.11 Authorization for any member of a faculty or staff of the University to be absent from his usual and regular duties will be granted only under the following conditions:
 - 13.111 When such absence is on state business, which shall include, among other purposes, the formal presentation of original researches by an employee before a national, regional, or state learned society, and
 - 13.112 When appropriate provisions are made to carry on the duties of the absent person without additional expense to the University.
- 13.2 Authorization for Absence for Staff Members Whose Regular Duty Does Not Require Travel. -- Authorization for absence from usual and regular duties, including travel from the city or town where the University officer or employee is regularly stationed, will be granted by the Board of Regents, or by the Administrative Officer to whom the Board may delegate authority, only by advance permission obtained as follows:
 - 13.21 Request for permission to be absent for a period not in excess of two weeks (fourteen calendar days) shall be transmitted through

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proper administrative channels to the executive head of the component institution for approval. At the Main University, requests for permission to be absent, including travel on official business, shall be transmitted, with reasons therefor, through proper administrative channels to the Vice-Chancellor (Academic Affairs) for approval, except that if the period does not exceed one week (7 days) the appropriate dean or equivalent administrative officer may approve the request for permission to be absent.

- 13.22 Request for permission 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 Chancellor for approval prior to such absence.
- 13.23 Request for permission 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 Chancellor for approval prior to such absence. Such approvals are to be reported in the regular dockets of the institutions affected.
- 13.24 Request for permission to be absent by the administrative officers and staff of Central Administration shall be approved by the Chancellor.
- 13.25 Any travel which contemplates reimbursement from funds appropriated by the Legislature for travel expenses incurred outside the continental limits of the United States must have the written approval of the Chancellor and the Governor prior to the travel, in addition to the authorizations required in the appropriate preceding subdivisions.
- 13.26 In lieu of any of the delegations of authority to approve absence from usual and regular duties, including official travel, specified in the above subdivisions, the Chancellor may exercise such authority.
- 13.27 The chief administrative officers of the component institutions shall keep records of all approved absences and shall submit detailed summaries periodically to the Chancellor for distribution to the Board of Regents.
- 13.28 Approvals of travel shall not be routine or perfunctory, but shall be made only after the executive head, or his authorized representatives, have carefully examined the purpose and need for each trip with a view to the economic and effective utilization of all travel funds.

13.3 Approval of Travel Expense Reimbursements.

- 13.31 Travel expenses shall be reimbursed only from funds appropriated or authorized for travel. Heads of component institutions shall plan the travel of all employees under their authority to achieve maximum economy and efficiency. 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.
- 13.32 Travel vouchers for reimbursement of all official travel authorized pursuant to the foregoing provisions shall be approved and signed as follows:
 - 13.321 Central Administration - Reimbursement for all travel shall

be approved either by the Chancellor or by the Auditor of the Main University.

13.322 Component Institutions - Reimbursement for all travel by employees of the component institutions shall be approved either by the Chancellor or by the Administrative officers designated below:

- Main University - the Vice-Chancellor for Academic Affairs, the Business Manager, or the Auditor.
- Texas Western College - the President or the Business Manager.
- Medical Branch, Galveston - the Executive Director and Dean, the Associate Director, or the Business Manager.
- Southwestern Medical School - the Dean or the Business Manager.
- Dental Branch - the Dean or the Business Manager.
- M. D. Anderson Hospital and Tumor Institute - The Director, the Administrator, or the Business Manager.
- Graduate School of Biomedical Sciences at Houston - the Dean or the Business Manager.
- South Texas Medical School - the Dean or the Business Manager.
- Arlington State College - the President or the Director of Business and Finance.

13.33 Per Diem Allowances.-- Travel Status for Continuous Period of Twenty-Four (24) Hours or More - An employee who is traveling on official University business and is in continuous travel for a period of twenty-four (24) hours or more will be reimbursed at per diem rates, in lieu of actual expenses for meals and lodging, in accordance with the following schedules:

13.331 If there is attached to the employee's expense account when submitted a "Paid" bill or receipt from a commercial hotel, motel, or other commercial lodging establishment for the employee's lodging for the period for which per diem reimbursement is claimed:

	Rates	
	<u>In State</u>	<u>Out of State</u>
Per diem per calendar day	\$12.00	\$15.00
One-fourth (1/4) the rate for a calendar day for each period of six (6) hours or fraction thereof (at least 2 hours)	3.00	3.75

13. 332 If the employee's expense account voucher does not include a supporting "Paid" bill or receipt as described in Subsection 13. 331 above: *

	Rates	
	In State	Out of State
Per diem per calendar day	\$7.00	\$10.00
One-fourth (1/4) the rate for a calendar day for each period of six (6) hours or fraction thereof (at least 2 hours)	\$1.75	\$ 2.50

13. 34 Partial per Diem for Meals and Lodging.

13. 341 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, as follows:

- 13. 3411 Breakfast allowance if the employee departs from designated headquarters before 7:00 A. M. (or, in case of his return to designated headquarters after 7:00 A. M.) \$1.00
- 13. 3412 Lunch allowance if the employee is away from his designated headquarters after 1:00 P. M. . . . \$1.00
- 13. 3413 Dinner allowance if the employee is away from his designated headquarters after 7:00 P. M. . . . \$2.00

13. 342 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 involve overnight stay will be reimbursed for meals and lodging in an amount not in excess of: *

- 13. 3421 \$12.00 at the rate of \$3.00 for each six (6) hour period involved or fraction thereof (at least 2 hours) provided a "Paid" bill or receipt as described in Subsection 13. 331 above is submitted. *
- 13. 3422 \$7.00 at the rate of \$1.75 for each six (6) hour period involved or a fraction thereof (at least 2 hours), if a "Paid" bill or receipt as described in Subsection 13. 331 above is not submitted. *

13. 35 Per Diem Allowances - Travel Status for a Continuous Period of Less Than Six (6) Hours. --No partial per diem or actual expenses (except transportation) will be paid an employee who is away from designated headquarters for a period of less than six hours.

13. 36 Day Defined for per Diem Purposes.

- 13. 361 The calendar day (midnight to midnight) is the unit for computing the per diem allowance.
- 13. 362 For a fractional part of a day at the commencement or ending of

* Adopted July 9, 1966..

continuous travel the six-hour periods of 12:01 A. M. to 6:00 A. M. , 6:01 A. M. to 12:00 Noon, 12:01 P. M. to 6:00 P. M. , and 6:01 P. M. to 12:00 Midnight are each considered to be one quarter (1/4) of a calendar day. A fraction of a per diem period of six (6) hours is defined to be two (2) hours or more.

13. 363 Computation of per diem shall be on a quarter day basis, the initial quarter to be that in which travel begins and the final quarter to be that in which travel ends.
13. 364 Out-of-State travel status commences at the beginning of the next quarter after the employee in travel status crosses the state line and continues through the quarter in which the employee returns to the state line. Payments for both in-state and out-of-state per diem allowance will not be made for the same period of a calendar day.
13. 37 Transportation Allowance.
13. 371 Rented or Public Conveyance Including Taxis. --An employee traveling by rented or public conveyance, or the commercial transportation company furnishing same, is entitled to a transportation allowance equal to the actual cost of necessary transportation for performing official business, excluding Federal tax. Payment of said transportation allowance may be made by either of the following methods, upon selection by the Chancellor or the head of the component institution, in advance of authorized official travel. *
13. 3711 Where the employee pays for public transportation, including taxis, from his personal funds, receipts for such necessary transportation, excluding receipts for city bus, taxi or limousine fares in amounts of \$2.50 or less. shall be obtained and attached to the employee's expense account when submitted. A detailed list of all claims for rented or public transportation including city bus, taxi, and limousine fares in amounts of \$2.50 or less shall be shown on the Travel Expense Account under "Record of Transportation Claimed for Each Trip. " *
13. 3712 The Chancellor or heads of component institutions may request commercial transportation companies to furnish required transportation for official business to designated employees of Central Administration or such institutions, upon the presentation to cooperating transportation companies of transportation requests approved by the Chancellor or the head of the institution requesting such transportation. The transportation request shall specify the class of transportation authorized. The monthly billings for such transportation services from the transportation company will be vouchered on a regular purchase voucher, showing the detail of such furnished transportation for each trip, with a complete statement attached setting out in detail why each trip listed was necessary in the operation and maintenance of the institution. *

- 13.372 Private Automobile. -- An employee traveling in his personally-owned automobile shall be reimbursed at the rate of eight cents (8¢) per mile on the basis of the shortest practical route between points. No additional expense incidental to the operation of such automobile shall be allowed.*
- 13.3721 Reimbursement for Mileage in the State of Texas shall include the use of Farm-to-Market roads. The latest official highway map published by the State Highway Department shall be the official map for use during the current biennium. For out-of-state travel, mileage will be computed from standard highway maps.*
- 13.3722 When two or more employees travel in a single private automobile, only one shall receive a transportation allowance, but this provision shall not preclude each traveler from receiving a per diem allowance.*
- 13.3723 When two, three, or four officials or employees of Central Administration or of one of the component institutions of the University with the same itinerary on the same dates are required to travel on the same official state business for which travel reimbursement for mileage in a personal car is claimed, mileage reimbursement will be claimed and allowed for only one of the employees except as provided hereafter. If more than four employees attend such meeting or conference in more than one car, full mileage reimbursement shall be allowed for one car for each four employees and for any fraction in excess of a multiple of four employees. If, in any instance, it is not feasible for these officials or employees to travel in the same car, then prior official approval from the Chancellor for Central Administration, or the head of the component institution for employees of that institution shall be obtained and shall be considered as authorization and the basis for reimbursement for travel for each person authorized to use his personal car in such travel.
- 13.3724 Reimbursement for out-of-state transportation for the use of personally-owned automobiles together with per diem shall never exceed the cost of commercial first class transportation from the nearest airport and the per diem required had the employee travelled by such conveyance. The determination of the allowances due owners of personally-owned automobiles in compliance with this paragraph shall be as follows: (1) Per diem shall be determined by the use of an airline schedule which would have sufficed for the performance of the official business. (2) Expenses of transportation to airfields from points where airports are not available shall be allowed in

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Adopted July 9, 1966.

addition to the cost of first class commercial air transportation. (3) When additional passengers are conveyed on out-of-state trips in personally-owned automobiles they shall receive as their expenses per diem based on automobile travel time. (4) Persons traveling to points not served by airlines shall receive mileage and per diem based on actual miles traveled and other expenses as authorized elsewhere in these regulations.*

- 13.373 Private Airplane. -- The current appropriation bill provides that the rate of reimbursement to executive heads and key officials for travel in their personally-owned airplanes within the boundaries of Texas and between points of necessary official business shall be sixteen cents (16¢) per highway mile.*
- 13.38 Reimbursement for Dues or Registration Fees. -- Reimbursement will not be allowed for dues, registration fees, or similar expense incurred in joining or attending any type of organizations or associations unless the membership is in the name of the State of Texas and/or The University of Texas. Reimbursement will not be allowed for the cost of meals that may be included in the registration fees. Receipts for such dues or registration fees shall be obtained and attached to the expense account. If reimbursement is claimed, vouchers shall include a statement that the membership is in the name of The University of Texas.

* Adopted July 9, 1966.

13. 39 Exception to per Diem Allowance. -- Executive heads of Component Institutions shall be reimbursed for their actual meals, lodging and incidental expenses when traveling on official business either in or out of the State. Employees of State Agencies designated by the Governor to represent him officially at governmental meetings or conferences when held out of the State shall receive actual meals, lodging, and incidental expenses, and such employees may be reimbursed out of appropriations made to the agencies by which they are employed.
13. 3(10) Special Exceptions to Foregoing General Travel Regulations. -- The provisions of the foregoing general travel regulations apply to all employees and all funds but employees may elect to take advantage of the specific exceptions authorized below:
13. 3(10)1 Contracts -- Travel allowances under research or other contracts, which are 100 per cent reimbursable, will follow the terms of the contract, and in the absence of specifications the travel rules and regulations covering payments from Grants and Trust Funds will apply. *
13. 3(10)2 Grants and Trust Funds -- Travel allowances paid from grants and trust funds, unless otherwise specified under the grant or gift, may be on a per diem basis as specified in the foregoing general travel regulations except that a maximum of \$16.00 per calendar day per diem rate shall apply to both in-state and out-of-state travel. When anticipated living costs are unusually low for those engaged in travel, the person authorizing the travel may reduce the per diem for all or any part of the travel, provided that the employee shall be notified of such reduced per diem before being allowed to incur any expense. In addition to per diem, costs of public transportation or rented vehicle, supported by receipts for expenses in excess of \$2.50 will be paid. If transportation is by private car, reimbursement will be paid at a rate not to exceed 10¢ per mile but limited to an amount not in excess of the cost of regular air transportation. 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 registration fees or similar expenses shall be obtained and attached to the expense account. *

* Adopted May 23, 1964.

13.3(10)3 Intercollegiate Athletics. -- Actual expenses will be paid at no per diem limit, provided such expenditures in the amount of \$2.00 or more are supported by signed receipts.

(Subsections 13.33, 13.342, 13.362, 13.371, 13.39--Amendment No. 5 to September 1960 revision, Meeting No. 605, February 1962)

Sec. 14. Freight and Express, Advertising, Postage and Box Rent, Telephone, Telegraph, and Subscription Vouchers.

- 14.1 Vouchers for freight and express charges are, if practicable, made payable to the local agent but in the name of the transportation company. A careful check shall be made for damages or shortages and, if any, notation is made on the receipt of the transportation company before the shipments are accepted. The vendor shall be notified in writing when damages or shortages occur and a copy of the notification shall be attached to the voucher when deductions are made on the invoice. In general, charges for freight and express are made against the same accounts as those charged for the purchase of the related materials.
- 14.2 Transportation charges for purchases at delivered prices (f. o. b. destination) cannot be paid by the University. An acceptance shall, therefore, not be given the transportation company unless such charges are prepaid.
- 14.3 A copy of the advertisement, as well as the invoice and affidavit of the publisher, showing rates in conformity with State laws, shall be attached to vouchers for advertisements.
- 14.4 Vouchers for postage and postal box rent shall be made payable to the United States Postmaster. Postage stamps are available at a central supply center at most institutions. Where a postage meter is used by the institution, the use of stamps is limited.
- 14.5 Payment for telephone charges shall be handled at the Main University through the Office of the Director of Physical Plant. Interdepartmental vouchers are sent to the department being charged and all long-distance calls shall be carefully checked in the department before the vouchers are sent to the Business Office. At the other component institutions, the vouchering and checking shall be handled through the business offices. Only authorized persons shall make long distance calls on University business and personal long-distance calls shall not be charged to institutional accounts.
- 14.6 Copies of all telegrams sent shall be retained in the files of the department or office responsible for the charge for one fiscal year and shall

be checked against the itemized bill from Western Union before vouchering the bill. The itemized statement from Western Union showing the persons sending each telegram and the person to whom the message was sent shall be attached to the voucher for payment.

14.7 Subscriptions to publications shall be vouchered after the first copy is received. This is noted on the voucher or invoice for payment, as well as the period covered by the subscription.

Sec. 15. Supplies and Equipment. -- At most of the component institutions, stationery, office supplies, and some other general supplies and equipment may be secured through an institutional supply center. Payment for such purchases shall be by interdepartmental transfer vouchers which originate in the office furnishing such materials. When supplies and equipment are purchased through the Board of Control, or are payable from local funds, the general regulations for preparation of vouchers shall be as outlined herein.

Sec. 16. Insurance on Money and Securities. -- As approved by the Board of Regents, the University 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 a loss occurs the University Comptroller shall be notified by the appropriate Business Manager and shall approve all loss claims and settlements. Any settlement over \$1,000 and under \$10,000 shall be approved by the Chancellor as well as by the Comptroller, and shall be reported to the Board of Regents for ratification at the next meeting. Settlements in the amount of \$10,000 or more must have the advance approval of the Board of Regents.

Sec. 17. Receipting for Payments. -- Any statutory or rider provision requirements as to receipts for warrants in payment of salaries, wages or reimbursement of official travel expenses shall be complied with by the component institutions.

(Section 17--Amendment No. 5 to September 1960 revision, Meeting No. 605, February 1962)

CHAPTER IV

PURCHASING

Sec. 1. Authority to Obligate Funds. -- The official purchasing agents of the component institutions shall have sole authority to obligate funds of their respective institutions for purchases unless otherwise provided in these regulations or otherwise specifically approved by the institutional head and the Chancellor or by the Board of Regents. The University can assume no liability for payment of obligations except those incurred in accordance with authority thus granted.

Sec. 2. Purchasing Ethics.

- 2.1 All qualified, reputable bidders shall be given equal opportunity to submit bids on a uniform basis when competition is possible.
- 2.2 No bidder shall receive special consideration or be allowed to revise his bid after the time set for opening bids.
- 2.3 Purchasing agents and their staffs and others authorized by or under these regulations to make purchases shall not accept gratuities or become obligated to individuals or firms seeking business.
- 2.4 Any violations of these purchasing ethics shall be reported promptly to the Chancellor and to the Board of Regents.

Sec. 3. Purchases of Supplies and Equipment.

- 3.1 Unless otherwise provided in these Rules and Regulations or specifically approved by the Board of Regents, the State Purchasing Act of 1957 shall govern the purchasing policies of the University. This Act gives the authority to the University to purchase, without approval of the Board of Control:
 - (a) Supplies, materials, services, and equipment for resale.
 - (b) For Auxiliary Enterprises.
 - (c) For Organized Activities relating to instructional departments.
 - (d) From Gifts and Grants.

- 3.2 Unless otherwise provided in these regulations or specifically authorized by the executive head and the Chancellor, all purchases of supplies and equipment shall be made through the official purchasing agents of the component institutions.
- 3.3 The official University purchasing agents and divisions, departments, or offices of the University to whom the purchasing function has been delegated shall observe sound and generally accepted purchasing practices of educational institutions including the following:
 - 3.31 Items on State Contract processed through the Board of Control will be purchased through the official purchasing agents.
 - 3.32 Purchases of supplies and equipment payable (or reimbursable) from Federal funds, trust funds, and auxiliary enterprises funds may be made directly from vendors if it is essential to efficient operation to do so or if monetary savings would result.
 - 3.33 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 with a summary of the reasons therefor shall be filed quarterly with the Chancellor and with the Secretary of the Board of Regents.
 - 3.34 Competitive bids, usually a minimum of three, shall be secured whenever competition is available.
 - 3.35 Purchase awards should be made to the supplier submitting the "lowest and best bid" as defined in the State Purchasing Act of 1957.

Sec. 4. Contacts with the State Board of Control. -- All contacts, whether oral or written, with the State Board of Control 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 agents or the business managers for other persons to do so.

Sec. 5. Requisitions.

- 5.1 Separate requisitions shall be made for:
 - 5.11 State Contract items purchased through the Printing Division of the State Board of Control;
 - 5.12 State Contract items purchased through the Purchasing Division of the State Board of Control; and
 - 5.13 Items to be purchased in the open market by competitive bids, or otherwise.
- 5.2 Requisitions for supplies and equipment shall be prepared on the official departmental requisition form, approved by the chairman of the department, or other administrative official, and the original forwarded to the business office or other designated office for approval as to availability of funds and to the official purchasing agent for approval of the

purchase. Requisitions shall show an actual or estimated cost and shall be numbered consecutively. Separate requisitions shall be made for purchases on the open market for each class of items, such as hardware, electrical supplies, chemical supplies, etc. The department shall be furnished a copy of each purchase order issued against its funds by the purchasing agents.

5. 3 Requisitions shall not be required for perishable items, automobile repairs which include both material and labor, and service charges which include only labor. However, vouchers payable from State funds for perishable items, or automobile repairs including material must be approved by the State Board of Control.

Sec. 6. Requisitions for Space Leases.

6. 1 Space leases involving buildings must, by law, be approved by the State Board of Control and may not extend beyond the current biennium.
6. 2 Proposals for space leases require the approval of the Chancellor and the Board of Regents, and lease contracts drawn in accordance with such approval shall be signed by the University Comptroller.
6. 3 A requisition shall be submitted to the purchasing agent and the lease completed prior to occupancy of any space for office, storage, or other purposes. The requisition 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 the lease, and any other requirements.

Sec. 7. Rental of Machines and Equipment. -- Requisitions for rental of office machines or any equipment of any kind which exceed a rental cost of \$500.00 per annum are required, by law, to have the prior written approval of the Governor, and such approval shall be required before the requisition is submitted to the State Board of Control. Approval by the State Board of Control is required prior to the beginning of the rental period, and payment of the rentals shall be made only after such approval. The requisitions shall be submitted through the purchasing agents, checked by the business managers, and forwarded by the executive heads to the Chancellor's Office for transmittal to the Governor. Also see Section 11 of this Chapter.

(Adopted as amended September 1960 and July 1966.)

Sec. 8. Purchase of Air-Conditioning Equipment. -- It is the policy of the Board of Regents that expenditures for purchase of any new or additional air-conditioning equipment must be approved in advance by the Board or the Chancellor on recommendation of the executive head of the component institution. Because the installation or replacement of air-conditioning equipment frequently involves special electrical installations, departments shall secure the approval,

in writing, of the Director of Physical Plant and/or the Business Officer before initiating a request for such equipment. When departmental funds are the source of the original purchase, installation costs, as well as maintenance and repair costs shall be paid from departmental budgets.

Sec. 9. Purchase of Stationery, Office Supplies, Stenographic Services, Mimeograph and Multilith Work, Printing, Books, Periodicals, and Magazine Subscriptions.

- 9.1 Stationery, office supplies, stenographic services, mimeograph and multilith work shall be purchased by departments and administrative offices from the Stenographic Bureau at the Main University or from a central source of supply at the other component institutions. The department, in writing, shall authorize certain persons to make such purchases.
- 9.2 Printing at the Main University is usually purchased from the University Printing Division, and at the other component institutions purchases are made as designated by the business officer.
- 9.3 Books, periodicals, and magazine subscriptions, if payable from General Budget Funds, shall be purchased at the Main University through the University Library by the use of a book order card. Purchases payable from departmental funds, grants, or special projects at the Main University, and which are not to become an acquisition of the Library, are to be purchased through the Library Order Department by the use of the official Departmental Requisition Form. Purchases at the other component institutions shall be made by requisition through the purchasing agents. *
- 9.4 The current appropriation bill provides that appropriated funds may not be expended for purchase of law books without the approval of the Attorney General. Purchases for the School of Law are exceptions to this provision. **

Sec. 10. Purchases from Employees. -- Purchases are not permitted from any officer or employee of the University unless the cost is less than that from any other known source and until approved by the institutional heads, the Chancellor, and the Board of Regents. Details of such transactions shall be reported in the dockets or Minutes of the Board.

Sec. 11. Purchase or Rental of Certain Typewriters. -- In accordance with the current appropriation bill purchase or rental of executive and/or proportional spacing typewriter/s is not permitted unless the head of the department makes an affidavit attached to the requisition for the purchase that the use of such typewriter shall be more economical than purchasing printed matter and such typewriter shall be in continuous use for at least six (6) hours a day. Also see Section 7 of this Chapter.

* Adopted February 26, 1966.

** Adopted July 9, 1966

- Sec. 12. Acceptance of Used or Rented Equipment on Purchase of New Equipment. -- Used or rented equipment shall not be accepted in fulfillment of an order for new machines or new equipment, even though such machines or equipment have been used by the component institution making the order.
- Sec. 13. Unlisted Telephone Numbers. -- The current appropriation bill prohibits the expenditure of funds appropriated thereby for payment of rental or toll charges on telephones for which numbers are not listed or available from "Information Operators" at telephone exchanges.*

* Adopted July 9, 1966

CHAPTER V

PERSONNEL

- Sec. 1. Classified Personnel. --The Policy of the Board of Regents on the Development and Coordination of the Classified Personnel Programs. This policy covers:
1. 1 The development and operation of the Institutional Personnel Program as defined in the duties of the Institutional Personnel Officer. This extends to:
 1. 11 The administration of the Classified Personnel Program in his institution. The Institutional Personnel Officer shall:
 1. 111 Know the objectives and all of the details of the program.
 1. 112 Assume responsibility for recommending all changes in the written program to his chief executive officer.
 1. 113 Interpret the personnel program to his institution--administration, supervisors, and employees.
 1. 12 The classification plan. The Institutional Personnel Officer shall:
 1. 121 Recommend all changes in any existing job classification or the creation of any new job classification.
 1. 122 Write all class specifications.
 1. 123 Allocate all jobs to the proper job classification.
 1. 124 Assure that no person is appointed in a position in the classified service under a title not included in the Classification Plan.
 1. 13 The pay plan. The Institutional Personnel Officer shall:
 1. 131 Recommend all changes in approved salary ranges together with the ranges for all new job classifications.
 1. 132 Make salary studies to determine correctness of existing salary ranges and to substantiate recommendations for new ranges or changes in existing ranges.
 1. 133 Assure that no appointment and/or change of salary is made which is:
 1. 1331 Below the minimum salary for the class range (except for a "Trainee").
 1. 1332 Above the maximum salary for the class range.
 1. 1333 Not on a regular step (or fraction thereof if part-time).
 1. 14 The policies and rules. The Institutional Personnel Officer shall:
 1. 141 Provide a uniform interpretation of the institution's personnel policy.

- 1.142 Advise his chief executive officer and the System Personnel Adviser of any violation or abuse of this policy.
- 1.143 Recommend any necessary change in the written Policies and Rules.
- 1.15 Personnel transaction. The Institutional Personnel Officer shall:
 - 1.151 Approve all budget recommendations, appointments, changes of status, military leaves, leaves without pay, separations or other personnel transactions involving classified employees prior to final consideration by his chief executive officer to assure conformity with all provisions of the Classified Personnel Program.
 - 1.152 Call to the attention of his chief executive officer in writing any violation of the program which may be approved outside the channels provided above, with a copy to the System Personnel Adviser.
- 1.16 Personnel services. The Institutional Personnel Officer shall provide necessary personnel services to departments of his institution as rapidly as time and staff permit. These services should include, as a minimum, the following:
 - 1.161 Centralized personnel records.
 - 1.162 A program of interdepartmental promotions.
 - 1.163 Centralized recruiting for job vacancies.
 - 1.164 A training program.
 - 1.165 A program of employee communication.
- 1.2 The development and coordination of the System-Wide Personnel Program.
 - 1.21 The Classification Plan.
 - 1.211 Coverage. --The Classified Service of The University of Texas system shall include all positions on the staff at the University which do not entail significant instructional responsibilities or responsibilities for the administration of instructional or research organizations. The chief executive officer of each component institution shall determine the inclusiveness of the classified service within this general definition, and shall submit to the Chancellor upon request a list of those administrative or research positions not included in the classified program.
 - 1.212 Type of Plan. --Uniform use shall be made of the "grading or Job Classification" system of job evaluation. Job specifications shall be prepared according to the Procedure for Writing Class Specifications provided by the Office of the Chancellor of The University of Texas.
 - 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. Classes unique to a component institution shall have suitable descriptive titles.

- 1.214 Job Code. -- A uniform job code entitled the Personnel Classification Code shall be used to designate job classes. This code may be used on IBM cards to compile statistical information on classified employees.
- 1.22 The Pay Plan.
- 1.221 A uniform system of salary steps providing for an increase of 5 per cent, 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 uniform system for setting forth the salary ranges for each job classification shall be used in the pay plans for each institution.
- 1.223 A classified employee nominated for part-time teaching at rank of Assistant Instructor shall be paid at the rate applicable to each position. (Adopted March 13, 1965.)
- 1.224 Salary ranges for each job classification shall be dependent upon the competitive labor market situation for each institution, as determined by pay surveys.
- 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 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, Pay Plan, and Policies and Rules developed by each institution was obtained from the Board of Regents at the time each program was formally adopted.
- 1.242 Changes in the Classification Plan, Pay Plan, and Policies and Rules at each institution must be made upon the recommendation of the institutional personnel office, the chief executive officer of the institution, and have the approval of the Chancellor and the Board of Regents. Such changes must have the approval of the Chancellor prior to inclusion in the Regents' Docket for the institution concerned.
- 1.25 Institutional Personnel Officer.
- 1.251 The chief executive officer of each component institution shall designate one qualified official who shall be responsible under the chief executive officer of that institution for the development and operation of the Classified Personnel Program.
- 1.252 Functional direction and help on technical personnel matters shall be provided each classified personnel officer by the Office of the Chancellor of The University of Texas.

- 1.26 System Personnel Adviser. -- The System Personnel Adviser serves as a staff officer advising the Chancellor through the Vice-Chancellor (Fiscal Affairs) on the Classified Personnel programs, Workmen's Compensation insurance, and other staff benefits, for each of the component institutions of the system.

(Subsection 1.26--Amendment No. 1 to September 1960 revision, Meeting No. 596, March 1961)

- 1.27 Reports. -- Necessary reports concerning the status and operation of the various Classified Personnel programs may be required by the Chancellor of The University of Texas.

Sec. 2. General Personnel.

2.1 Fidelity Bond.

- 2.11 As approved by the Board of Regents, the University shall carry a blanket position (fidelity) bond which shall cover employees of all component institutions. All employees shall be covered in the amount of \$5,000 each. It shall be the responsibility of the Comptroller to recommend to the Chancellor through the Vice-Chancellor (Fiscal Affairs) the administrative officials who are to be covered by amounts in excess of this figure, and the amount of coverage recommended for each. For total coverage in excess of \$10,000, approval of the State Auditor is necessary.
- 2.12 The Secretary of State and the State Comptroller of Public Accounts shall be each furnished with an original of the bond. The bond shall be issued in "triplicate originals," with one original to remain with the University Comptroller. A copy of the bond shall be filed in the Office of the Secretary of the Board of Regents.
- 2.13 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.
- 2.14 At the time a loss occurs, the University Comptroller shall be notified by the appropriate Business Manager and shall approve all loss claims and settlements. Any settlement over \$1,000 and under \$10,000 shall be approved by the Chancellor as well as by the Comptroller, and shall be reported to the Board of Regents for ratification at the next meeting. Settlements in the amount of \$10,000 or more must have the advance approval of the Board of Regents.

- 2.2 Withholding Exemption Certificate. -- Every employee must execute and file with the institutional business officer an Employees' Withholding Exemption Certificate before compensation can be paid, since the United States Treasury Department, Internal Revenue Service, requires collections of Income Tax on wages at the source. The deductions for

taxes withheld are authorized by State law on payroll forms prescribed by the State Comptroller.

2.3 Leave for Military Duty.

- 2.31 A leave of absence not to exceed fifteen calendar 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, are engaged in field or coast defense training, parade or encampment as ordered or authorized by proper authority. During such periods, the employee is absent without loss of efficiency rating or vacation time, or salary, and is restored to the position and status he previously held when relieved from military duty.
- 2.32 The institutional heads may prescribe forms and procedures for such requests.

2.4 Overtime.

2.41 Classified Personnel.

- 2.411 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. Equivalent compensatory time off for required overtime of at least one hour or more above established work periods is given employees whose salaries are below the minimum for a full-time instructor at all institutions except the M. D. Anderson Hospital and Tumor Institute where definite salary limits are set.
- 2.412 Overtime equivalent not to exceed a regular work week may be accumulated and compensatory time taken at a mutually convenient time. Under exceptional circumstances payment may be made to eligible employees on a straight time basis from the budget of the employing department, upon approval of the appropriate administrative officials.
- 2.413 Full-time employees on a twelve months' salary basis shall not be permitted extra employment on government and other sponsored projects, except in rare instances when the interest of the institution is paramount. In the event that such employment is approved, it is limited to a maximum of 10 additional hours per week.

(Subsection 2.4-- Amended July 1961 and March 1965)

2.5 Student Employment.

- 2.51 The employment of students as Teaching Assistants and Assistants at the Main University is effected through the appropriate departmental chairman and dean in accordance with the Quantity of Work rule with notification to the appropriate officers of Central Administration.

- 2. 52 The employment of students as classified personnel is handled through that office; notices of work available are listed with the Student Employment Bureau.
- 2. 53 The Quantity of Work rule provides that the student's combined employment and semester-hour load may not exceed forty hours per week. A student-employee may register for a thesis or dissertation course in addition to the course load authorized herein provided that his thesis or dissertation course does not require any absence from his place of employment. (Adopted December 12, 1964)
- 2. 54 Exceptions to this rule are rarely made and then shall be made only upon specific recommendation of the student's academic dean.

2. 6 Patent Policy. -- Where no specific contract to the contrary has been approved by the Board of Regents, the following policy applies to patents obtained by University employees:

- 2. 61 The title to the patent for a discovery or invention by a University employee shall belong to the employee subject to the following provisions:
 - 2. 611 When total net royalties, or other compensations, are less than \$1,000, no payment to the University is required.
 - 2. 612 When net royalties, or other compensations, amount to more than \$1,000 but less than \$5,000, 10 per cent of the excess of such royalties or other compensations over \$1,000 shall be paid to the University.
 - 2. 613 When net royalties, or other compensations, amount to more than \$5,000, the royalty or other compensation paid the University will be 10 per cent on the amount above \$1,000 but less than \$5,000, and 20 per cent on all amounts of \$5,000 or more.
 - 2. 614 Where contributions have been made to research projects by private donors, nonexclusive licenses on all inventions or discoveries resulting from such research may be issued on a reasonable basis without discrimination in favor of or against those making contributions in aid of the research.

Sec. 3. Certain Provisions in Current Appropriation Bill. -- The rules and regulations of the Board of Regents are subject to and shall comply with the provisions appearing in the current Appropriation Bill, 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. "*"

* Adopted July 9, 1966.

- 3.2 Separation from State Employment. -- "No employee of the State shall be granted terminal annual or vacation leave subsequent to the effective day of the employee's resignation, dismissal, or separation from State employment. "*

Sec. 4. Other Regulations Concerning Personnel are Reported in the Rules and Regulations of the Board of Regents, Part One, as follows:

Affidavit - Chapter III, Sec. 1. 6, page 19.

Political Aid and Legislative Influence - Chapter III, Sec. 1. 7, page 20.

Physical Examination - Chapter III, Sec. 1. 8, page 20.

Employment of Aliens - Chapter III, Sec. 3, page 21.

Indebtedness to the University or the State - Chapter III, Sec. 27, page 32.

Appointment of Relative (Nepotism Rule) - Chapter III, Sec. 5, page 22.

Holidays - Chapter III, Sec. 14, page 28.

Vacation - Chapter III, Sec. 15, page 29.

Sick Leave - Chapter III, Sec. 18, page 30.

Leave for Jury Duty - Chapter III, Sec. 19, page 30.

Leaves of Absence Without Pay - Chapter III, Sec. 16, page 29.

Absence from Usual and Regular Duties. - Chapter III, Sec. 20, page 30.

Office Hours - Chapter III, Sec. 12, page 28.

Outside Employment - Chapter III, Sec. 13, page 28.

Acceptance of Money from Students - Chapter III, Sec. 25, page 31.

Textbooks and Other Materials Prescribed for the Use of Students--
Chapter III, Sec. 23, page 31.

Institutional Employees as Students - Chapter III, Sec. 29, page 33.

Power to Authorize Expenditures out of University Funds - Chapter III, Sec. 26, page 32.

* Adopted July 9, 1966.

Division of Salaries for Staff Engaged in Teaching and Non-teaching Activities - Chapter III, Sec. 17, page 29.

Compensation for Correspondence and Extension Teaching of Full-time Staff Members - Chapter III, Sec. 22, page 30.

Classified Personnel Systems - Chapter III, Sec. 2, page 20.

Code of Ethics - Chapter III, Sec. 4, page 21.

Tenure, Promotion, and Termination of Employment - Chapter III, Sec. 6, page 24.

Modified Service - Chapter III, Sec. 30, page 33.

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.

- 1.1 There are two types of members in the Teacher Retirement System:
 - 1.11 Teacher members - employees occupying positions as teachers, clerks, administrators, supervisors, and related occupations in educational institutions; and
 - 1.12 Auxiliary employees - all other employees of educational institutions otherwise eligible, such as building attendants, carpenters, etc.
- 1.2 All employees of the University employed on a regular salaried basis are required by law to participate in the Teacher Retirement System, which became effective for teacher members September 1, 1937, and for auxiliary members September 1, 1949, except persons eligible at those times who executed waivers within the period allowed by law and have not revoked such waiver if later permitted, and members of the Employees Retirement System about which information is given later. *
- 1.3 Annual membership dues in the Teacher Retirement System are \$3, which amount is deducted from the first salary payment in a fiscal year. Members contribute 6 per cent of their salary up to and including \$8,400 per year, with the maximum contribution of \$504 per year, which amount is deducted from the monthly salary payment. The contributions are sent monthly by the business offices to the Teacher Retirement System. Each year members receive a statement from the Teacher Retirement System, through the business offices, of their total contributions, plus accumulated interest through August 31 of the preceding year. Within the provisions of the law, the State also contributes to the member's account.
- 1.4 The annuity payable at retirement is based on the salaries earned by the member. Annuity payments are based upon the average salary earned in the ten highest years of creditable service, not to exceed \$8,400 of salary for any one year.*

* Adopted November 9, 1963.

- . 1.5 When a member leaves the employment of the public schools of Texas, he may withdraw the amount of his contribution, plus accumulated interest, upon application, or he may leave the funds at interest for not more than five out of six consecutive years during which period he pays the annual membership dues.
- . 1.6 If a member dies before retirement, his beneficiary, depending upon the relationship to the member, will be entitled to death benefit payments or survivor benefit payments, whichever renders the greater advantage to the beneficiary. If there is no beneficiary with an insurable interest, payment will be limited to the accumulated contributions plus interest standing to the account of the member with the Teacher Retirement System.
- . 1.7 Eligibility for retirement benefits is as follows:
 - 1.71 With ten years creditable service upon reaching age 65, member is entitled to retire with full benefits based on service rendered and salary earned. A teacher member is entitled to minimum benefits of \$75.00 per month. An auxiliary employee is entitled to minimum benefits of \$50.00 per month.
 - 1.72 With fifteen years creditable service upon reaching age 55, member is entitled to retire at reduced actuarial equivalent of benefit payable at age 65.
 - 1.73 With twenty years creditable service upon reaching age 60, member is entitled to retire with full benefits based on service rendered and salary earned. A teacher member is entitled to minimum benefits of \$100.00 per month. An auxiliary employee is entitled to minimum benefits of \$75.00 per month.
 - 1.74 With 25 years creditable service upon reaching age 55 or with 30 years creditable service at any age, member is entitled to retire at reduced actuarial equivalent of benefit payable at age 60.
- . 1.8 Creditable service consists of prior service, former membership service, and current membership service. For teacher members, prior service is that before September 1, 1937; former membership service is that rendered during the period September 1, 1937, to August 31, 1955; and current membership service is that rendered subsequent to August 31, 1955. For auxiliary employees, prior service is that rendered prior to September 1, 1949, former membership service is that rendered during the period September 1, 1949, to August 31, 1955; and current membership service is that rendered subsequent to August 31, 1955.

- 1.9 Information pertaining to options under which retirement benefits may be drawn and to reciprocal service between the Teacher and Employees Retirement Systems, as well as other information, may be secured from the local institutional business or personnel office, the Central Administration System Personnel Office, or the Teacher Retirement System in Austin.

(Subsection 1.9--Amendment No. 1 to September 1960 revision, Meeting No. 596, March 1961)

Sec. 2. Employees Retirement System.

- 2.1 There are relatively few employees of the University who are members of the Employees Retirement System since they are no longer eligible for initial membership in this system. Only those who were eligible between September 1, 1947, and August 31, 1949, and who did not waive membership as of September 1, 1947, are now members. Beginning September 1, 1949, new employees who would previously have been eligible for this plan became eligible for membership in the Teacher Retirement System as auxiliary employees.
- 2.2 Annual membership dues in this system are \$2, which sum is deducted from the first monthly salary payment in a fiscal year. Contributions of employees are 4-1/2 per cent of the total salary earned, which is deducted from monthly salary payments. The University contributes an amount equal to that of employees, payable from the same source as the salary. All contributions are deposited monthly with the Employees Retirement System and by law are deposited by that agency with the State Treasurer.
- 2.3 Members' deposits are handled in the same way as in the Teacher Retirement System.
- 2.4 Provisions for membership and retirement requirements and benefits are quite similar to those for the Teacher Retirement System; however, "prior service" in the Employees Retirement System is all creditable service rendered prior to September 1, 1947, and "membership service" is that which has been earned since that date.
- 2.5 Further details, including information pertaining to reciprocal service with Teacher Retirement System, may be secured from the local institutional business office, the Central Administration System Personnel Office, or the Employees Retirement System in Austin.

(Subsection 2.5--Amendment No. 1 to September 1960 revision, Meeting No. 596, March 1961)

Sec. 3. Group Life Insurance

- 3.1 The University carries a master group life insurance policy, covering all institutions, with the Aetna Life Insurance Company for "One Year Term Plan." Premiums are payable monthly in advance, by payroll deduction, increase for each person with each year of age, and are payable entirely by the individual. The program is optional but is available only to full-time annual faculty and staff; new employees are notified of their eligibility by the personnel office at the time of employment.
- 3.2 The amount of insurance available is equal to the next highest thousand dollars above the annual salary with a maximum of \$20,000. Annual earnings for academic personnel shall be the nine-month or twelve month academic rate, as applicable. Annual earnings for non-teaching personnel shall be the twelve-month rate. When an employee classification changes, due to increase or decrease in earnings, including Modified Service, the amount of the insurance will be adjusted on the annual renewal date (January 1) following the date of the change provided the employee is available for work.*
- 3.3 No medical examination is required if application is made for insurance within 60 days from date of employment. After the 60-day period, an "Evidence of Insurability" form, prepared by the company and available through the personnel office, is required. No medical examination is required if this form is accepted by the company after review, but, if it is not so accepted, the applicant must have a medical examination at his expense.*
- 3.4 Beneficiaries are designated by the policyholders on the application forms and may be changed during the life of the policy upon application to the business office or personnel offices. Each policyholder receives a certificate issued by the company and transmitted through the business office or personnel office.*
- 3.5 A policyholder who is less than 60 years of age and who becomes permanently and totally disabled may receive the face amount of the policy in accordance with one of several options. There are no disability benefits after age 60.*
- 3.6 Benefits at death are payable according to one of several options. Upon notification of the death of a policyholder, the personnel office assists in the preparation of the required records to be sent to the company.*

* Adopted November 9, 1963.

3.7 Participation in the Group Life Insurance Program automatically terminates when employment terminates unless (1) the policyholder retires under the provisions of the Teacher Retirement System or the Employees Retirement System with at least 10 years of coverage under the insurance; (2) the policyholder has attained 62 years of age with at least 10 years of coverage under the insurance; or (3) the policyholder converts the group policy into one for regular individual life insurance. When an employee retires, the amount of insurance will be reduced to \$5,000 or the amount in force immediately prior to retirement, whichever is less, provided the employee has been insured continuously during the ten years prior to retirement. (Adopted September 19, 1964)

3.8 The life insurance will cease at the end of the last policy month for which a contribution was made except that if death should occur within thirty-one days thereafter, the death benefits will be payable. Within this thirty-one day period, by making application and paying the first premium to the Aetna Life Insurance Company, one may convert his Group Life Insurance to an individual life insurance policy on any regular Whole Life or Endowment Plan. This individual policy will be issued without medical examination at the Insurance Company's regular rates.*

Sec. 4. Group Hospitalization and Medical Benefit Plans.

4.1 Group hospitalization and medical benefit plans may be instituted or continued at each of the component institutions subject to approval of the institutional head, the University Comptroller, the Chancellor, and ratification through the Regents' docket.

Sec. 5. Workmen's Compensation Insurance.

5.1 The Workmen's Compensation Insurance Program is on a university-wide, self-insuring basis, financed by setting aside not more than 2 per cent of the annual payroll of covered employees, and provides certain benefits for injuries sustained on the job. These benefits include payments for reasonable medical aid, hospitalization, etc.; total or partial incapacity; specific losses; and death.

* Adopted November 9, 1963

- 5.2 The Supervisor of Workmen's Compensation Insurance, in cooperation with other University officials, investigates accidents and injuries, and endeavors to develop, publish, and enforce safety rules and regulations. His office keeps a complete record of all injuries on the job and is responsible for reporting them to the Industrial Accident Board.
- 5.3 All employees whose names appear on the payrolls are eligible except:
 - 5.31 Administrative staff, including officers of the administration;
 - 5.32 Teaching staff, research staff, clerical and office employees and supervisory staffs unless hazardous work is required, such as handling or working in close proximity with dangerous chemicals, materials, machinery, or equipment; working in a dangerous area; performing manual labor; traveling regularly; or being exposed to hazards of occupational disease; and
 - 5.33 Persons paid on a piece-work basis or any basis other than by the hour, day, week, month, or year.
- 5.4 Eligible employees who do not wish coverage may waive all rights to the benefits at the time of appointment. However, the waiver may be revoked at any time during continuous employment and the employee covered by insurance 30 days after the application form is signed, upon taking the necessary physical examination and being certified as physically fit.
- 5.5 A physical examination by a designated physician is required for all persons to be covered and, before the individual's name can be placed on the payroll, the executed original of the examination form must be filed in the System Personnel Office. The Supervisor furnishes a list of physicians for these examinations which is approved by the Board of Regents. A fee of \$5 is paid by the System Personnel Office for each examination. Persons who fail to pass the physical examination cannot be covered by the insurance. They may be employed only after signing a waiver of all rights.
- 5.6 A notice of coverage is signed by all employees who are covered, with the original filed in the Supervisor's office before a name is placed on the payroll. All personnel forms and payrolls include pertinent information on Workmen's Compensation Insurance by a symbol or other notation.
- 5.7 The percentage of the annual payroll, within the 2 per cent mentioned in Section 5.1 above is approved by the Board of Regents, and the amount is set aside from available appropriations other than itemized salary appropriations. Each business officer prepares and sends to the Comptroller of the University at Austin a monthly report of covered

employees showing the source of their salaries and, if from local funds, enclosing a check for the amount due. The Comptroller of the University deposits these checks in a local depository bank and requests the State Comptroller to transfer the amounts due on payrolls paid from State funds to the Workmen's Compensation Insurance Fund in the State Treasury.

- 5.8 Physicians are designated for treatment and care of injured employees upon recommendation of the Supervisor and approval of the Chancellor and the Board of Regents and are called for treatment when possible though other competent physicians may be authorized for treatment at the request of the employee. Emergency treatment, however, may be provided by any available physician and at any hospital, including institutional health centers or hospitals. The insured employee and the physician in charge choose the hospital to be used, except as indicated for emergency treatment. The designated physician authorized to treat injured employees files a Surgeon's Report with the Supervisor when treatment is first given. Fees for services rendered should be reasonable and fair and commensurate with services performed. They are, by law, subject to control of the Industrial Accident Board.
- 5.9 The supervisor of a covered employee who is injured during the course of employment must file a complete report with the Supervisor of the Workmen's Compensation Insurance Office whether or not time is lost from work. If time is lost, a supplemental report is filed when the employee returns to work. When the time lost is over 60 days, this report is filed at the end of each 60-day period. The same form is used if the employee is disabled later due to the original injury. In the event of death of the injured employee, the form is filed immediately.
5. (10) The employees' supervisors are also responsible for keeping in close touch with injured employees and their attending physicians and investigating medical attention to see that unnecessary aid and visits are avoided. They approve the statement from the physician as to services rendered although not actual charges for treatment.
5. (11) Compensation paid is in lieu of salary and wages, and the employee's name is therefore dropped from the payroll when he is unable to work after injury, and is not returned to the payroll until he is back on the job after certification by the attending physician.
5. (12) The compensation for a covered employee injured in the course of his work is equal to 60 per cent of the average weekly earnings for the 12 months immediately preceding injury, though not more than \$35 nor less than \$9 per week. Compensation to an employee on less than a full work day basis is not more than 60 per cent of his average weekly earning, with the same maximum of \$35. Compensation is not paid for incapacity of less than one calendar week unless incapacity continues

for 28 days at which time the compensation is paid for the first seven days. Benefits may be paid for no longer than 401 weeks from date of injury for total incapacity and no longer than 300 weeks for partial incapacity for work. For specific injuries, the Supervisor has information available on request concerning benefits for specific injuries such as the loss of a hand or an eye. In case of death, benefits are computed on the basis of 360 weeks from injury.

5.(13) Payment for physical examinations, medical aid, hospitalization and compensation is through the System Personnel Office.

5.(14) The System Personnel Office shall issue an annual report through proper channels to the Chancellor and to the Secretary of the Board of Regents for the information of the members of the Board which shall include at least the following information: The names of all employees receiving workmen's compensation benefits during the preceding year, and for each such employee the number of separate incidents involving loss of time, the total working days lost, and the total compensation received; a list of physicians to whom payments were made and the totals paid to each.

(Section 5--Amendment No. 1 to September 1960 revision, Meeting No. 596, March 1961)

Sec. 6. Social Security (Old Age and Survivors Insurance).

6.1 As an employer, the University complies with the relevant provisions of the Social Security Act. All University employees are required to participate in the Federal Social Security Program as a condition of employment.

Sec. 7. Tax Deferred Annuities

7.1 Under a plan approved by the Board of Regents, University employees may purchase 403B Tax Deferred Annuities from Texas-licensed insurance companies.*

7.2 The University will contract with any employee to designate a portion of his monthly gross compensation to be used by the institution to purchase an annuity for the employee from the company selected by the employee. This agreement is irrevocable for one year.*

7.3 The Business Manager of each institution in The University of Texas System is authorized to sign applications for annuities with the company requested by the employee. The University will employ the payroll deduction method for the annuity payments and will forward to each insurance company the amounts contracted for by the employees.*

* Adopted November 9, 1963.

7. 4 The participation and purchase of 403B, Tax Deferred Annuities shall be in accordance with the authorization provided by Senate Bill Number 17, 57th Legislature, Third Called Session, 1962 and shall be in accordance with the Internal Revenue Code in amendments thereto. *
7. 5 Additional information may be secured from the business office or the personnel office. *

Sec. 8. Group Long Term Disability Income Insurance. **

8. 1 The University carries a master group long term disability income insurance policy, covering all institutions, with the Aetna Life Insurance Company. Premiums are payable monthly in advance, by payroll deduction, and the rate applies to the monthly rate of basic earnings of each covered employee regardless of age. The program is optional but is available only to faculty members with the rank of Instructor or higher, or full-time monthly salaried employees. New employees are notified of their eligibility by the Personnel Office at the time of employment. The plan became effective initially on October 1, 1965. **
8. 2 Monthly rate of basic earnings is the rate in effect on the October 1 before the start of an individual's disability. Furthermore, monthly rate of basic earnings is defined as 1/9 of the base rate for academic personnel paid on a nine-month basis and 1/12 of the base annual rate for non-teaching employees or any other person paid on a twelve-month basis. In no case shall monthly rate of basic earnings exceed \$2,500.00 per month. All premiums and benefits are payable 12 months per year. **
8. 3 The plan guarantees benefits of 65% of the monthly rate of pay up to maximum monthly benefits of \$1625.00 per month, and any extra compensation is excluded. The plan will pay all of this 65% guarantee if the insured is not eligible for "other income benefits". If he is eligible for "other income benefits," the plan will add to the total of "other income benefits" to make up this 65% guarantee. In general, the plan counts as "other income benefits" any wages, salary, or other remuneration a person might receive from their component institution, or from any other employer, while they are eligible for income benefits from the plan. Also counted are any disability benefits payable under any law or under any plan sponsored by The University of Texas. **
8. 4 Covered employees will be eligible for the first income payment from the plan after having been "totally disabled" throughout a qualifying period of 90 days. Payments will be made as of the end of each calendar month. Benefits continue to be paid as long as a person is "totally disabled"; however, all income payments will stop when a person recovers, dies, or reaches age 65--whichever happens first. **

* Adopted November 1963.

** Adopted July 1966.

8. 5 No medical examination is required if application is made for insurance within 60 days from date of employment. After the 60 day period, an "Evidence of Insurability" form, prepared by the company and available through the Personnel Office is required. No medical examination is required if this form is accepted by the company after review, but, if it is not so accepted, the applicant must have a medical examination at his expense.*
8. 6 Each policyholder receives a certificate issued by the company which is prepared and transmitted through the Business Office or Personnel Office. *
8. 7 The insurance of any employee under this policy shall terminate at the earliest time specified below: *
 8. 71 Upon discontinuance of the policy.
 8. 72 At the end of a policy month during which the employee's employment with the University in the classes eligible for the insurance terminates.
 8. 73 On the date the employee attains the age of sixty-five years.
8. 8 A person may continue to keep the coverage during periods of Official Leave of Absence upon the direct payment of premiums through the Business Office of the appropriate component institutions.*

* Adopted July 9, 1966.

CHAPTER VII

PHYSICAL PROPERTIES

- Sec. 1. Except as otherwise specifically authorized, University property 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. A Property Manager is designated at each institution.
- Sec. 2. Use of Physical Facilities of the University by Outside Groups; The University of Texas as a Joint Sponsor. -- Use of University physical facilities, especially auditoriums, gymnasiums, and large rooms, by outside groups shall be subject to the following rules in which the "University" shall mean any component institution:
2. 1 The University of Texas will not permit the unrestricted use by non-University groups of any of its facilities.
 2. 2 The University will not enter into joint sponsorship of any project or program that is to result in private gain for the cooperating group or groups.
 2. 3 The University, 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 of Regents.
 2. 4 Whenever non-University groups share in the use of University buildings, it must be upon the invitation of The University of Texas and under its joint sponsorship, and with the further understanding that all the conditions governing such sponsorship are to be set by the University.
 2. 5 The University 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.
 2. 6 The University 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 University.

- 2.7 It shall be understood that the availability of the University's auditorium facilities for functions other than the institution's own activities is strictly subject to the needs and the convenience of the University, which are always to have priority in the scheduling of facilities.
- 2.8 The use of University auditoriums on Sundays will be limited to Sunday afternoons. Authorization for their use at that time will be given only for concerts or other programs appropriate to the day.
- 2.9 In the case of programs for which the University is a joint sponsor with some other 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.

Sec. 3. Inventories.

- 3.1 An actual physical inventory of University property shall be made each fiscal year in accordance with the Law enacted by the 52nd Legislature. The institutional head is responsible for forwarding through administrative channels a statement describing the method of verifying the inventory within 45 days after the inventory date set for the University.
- 3.2 Department heads are initially responsible for all University property in their care and for the taking of the inventory on the prescribed record forms. The report is prepared in the department in triplicate, one copy being kept for departmental files and the original and one copy forwarded to the business office or other designated office.
- 3.3 Inventories as of August 31 include all equipment on hand and vouchered for payment, listed at cost plus freight. All nonconsumable property valued at \$5 or more per unit is equipment subject to inventory. Items which are worn out or discarded are listed as charged off in accordance with instructions furnished.

Sec. 4. Motor Vehicles.

- 4.1 Any motor vehicles permitted under State law to be owned and operated by the University shall be used only on official University business. Each vehicle shall carry an inscription on both sides as prescribed by law.
- 4.2 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 with the office of the institutional head within ten days after use of the vehicle.
- 4.3 The operators of University-owned vehicles must hold, at their expense, an appropriate operator's license for the type of vehicle operated.

- 4.4 University-owned vehicles are subject to the compulsory inspection required by law.
- 4.5 It shall be the obligation of the Business Manager of each of the component institutions to see that all employees who are required to drive University-owned vehicles are fully informed of their personal responsibility and liability for their negligent operation.
- 4.6 The current appropriation bill provides that no funds appropriated thereby may be expended for the purchase or maintenance of motor vehicles by a state institution unless the institution submits to the Legislative Budget Board and the Governor's Budget Office within thirty (30) days after the beginning of each fiscal year a complete list of all rules, regulations, and policies prohibiting and penalizing the personal use of State-owned passenger vehicles by employees. *

Sec. 5. Insurance on University Property.

- 5.1 The following types of insurance coverage, where practicable, shall be maintained on a system-wide basis:
- Fire and Extended Coverage Insurance
 - Boiler and Machinery Insurance
 - Blanket Position (Fidelity) Bond
 - Money and Securities Insurance
- 5.2 The terms of the policies covering the risks indicated above are negotiated by the University Comptroller in accordance with policies approved by the Office of the Chancellor and the Board of Regents. Unless otherwise authorized by the Board, insurance policies shall be purchased on a competitive bid basis.
- 5.3 When it is necessary or advisable to cover risks on a basis that is not system-wide, insurance policies covering such risks shall be approved by the University Comptroller on an individual basis upon recommendation by the Business Manager of the component institution affected.
- 5.4 At the time a loss occurs applicable to either system-wide or individual insurance policies, the University Comptroller shall be notified by the appropriate Business Manager and shall approve all loss claims and settlements. Any settlement over \$1,000 and under \$10,000 shall be approved by the Chancellor as well as by the Comptroller, and shall be reported to the Board of Regents for ratification at the next meeting. Settlements in the amount of \$10,000 or more must have the advance approval of the Board of Regents.

Sec. 6. Keys to Buildings, Offices, Etc.

- 6.1 Keys to buildings, offices, and other facilities shall be issued to the employee upon authorization by his chairman or administrative official. The Director of Physical Plant, or some other authorized person, shall

* Adopted July 9, 1960.

have immediate responsibility for handling keys and he shall issue instructions and outline procedures as approved by the business offices and the institutional heads.

- 6.2 A deposit is usually required for keys which sum is in turn deposited in the business office or auditor's office. Department heads shall cooperate in requiring that keys be turned in at the termination of employment. Where a deposit has been required, refund is made to the employee upon turning in the key.

Sec. 7. Safe and Vault Combination. -- The combination to all vaults and safes used by the University are filed under seal with the institutional business officer or other authorized person designated by the institutional head.

Sec. 8. Watchmen and Security Officers.

- 8.1 Watchmen and other security officers are employed at the component institutions to protect and safeguard the property of the University.
- 8.2 At the Main University, the watchmen shall carry clocks which shall be punched periodically each night during the course of their rounds. They shall be assigned specific buildings, with the supervisor cruising by car and checking on outlying buildings and grounds. The watchmen shall check for hazards of all kinds: fire, theft, vandalism, open doors and windows after hours, etc.
- 8.3 Employees will cooperate in the security program by exercising caution to safeguard the equipment and supplies in their offices.

Sec. 9. Telephones. -- The Director of Physical Plant, or the institutional business officer, shall be responsible for the installation of telephones and the administration of all telephone facilities. University telephones shall not be charged for personal toll calls. Charges for telephones and toll calls shall be under the supervision of the persons named above.

Sec. 10. Disposal of University Property.

- 10.1 Whenever any item of departmental equipment or other University 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 institutional Business Manager. Upon receipt of such report, it shall be the responsibility of the Business Manager 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.
- 10.2 If the Business Manager 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.
- 10.3 For items of little value or limited use where sale on competitive bids is not practicable, the Business Manager shall have the authority to

dispose of the property on the basis of a negotiated bid in amounts under \$500.00.

10.4 Sale of property estimated to bring \$500.00 or more shall be made on a basis of competitive bids.

10.5 Sales in amount of \$1,000.00 or more shall be approved in advance by the Board of Regents.

Sec. 11. 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 institutional business managers concerned and shall be reported to the executive heads. The purchasing agents shall advise departments and administrative offices as to the procedure to be followed in disposing of or acquiring property by this means.

Sec. 12. Certain Special Provisions in Current Appropriation Bill. -- The rules and regulations of the Board of Regents are subject to and shall comply with the provisions appearing in the current Appropriation Bill, including the following:

12.1 Prohibition against Additional Museums. -- "None of the moneys appropriated in this Article, except bequests and gifts, may be used for establishing additional museums or for the maintenance and operation of museums unless the language of this Act or of other acts and resolutions of the Legislature specifically authorizes such use of appropriated funds."

12.2 TV Stations Prohibited. -- "None of the moneys appropriated in this Article may be expended for the acquisition, construction, or operation of television transmitter station; provided, however, this prohibition shall not be construed so as to prevent the medical schools, dental school, general academic institutions or other agencies of Higher Education named in this Article from using closed-circuit television for purely instructional purposes, or to prevent general academic teaching institutions with existing transmitter stations to use same for educational purposes, or to prevent the continuance of operating arrangement with existing transmitter stations for purely educational purposes."*

12.3 Parking Lots. -- "It is the intent of this Legislature that no educational and general funds whether from General Revenue Fund or from local sources as appropriated by this Act shall be used for the purpose of constructing, maintaining, or operating parking lots. It is the further intent that such facilities shall be constructed, maintained, and operated from fees charged to those using such facilities."

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Adopted July 9, 1966.

- 12.4 Presidents' Homes. -- "No funds appropriated by this act may be used for the purpose of constructing a home for a president of any of the general academic teaching institutions named herein, without obtaining the approval of the Governor and the advice of the Legislative Budget Board prior to obligating any funds for this purpose."
- 12.5 Use of Educational and General Funds for Alumni Activities Prohibited. -- "None of the educational and general funds or of the Constitutional funds appropriated by this Article may be expended by State agencies of higher education for the support and maintenance of alumni organizations or activities."*
- 12.6 Vending Machines Authorized. -- "Vending machines may be placed on State-owned Property or in State-owned Buildings only with the approval of the governing Board and such approval shall be recorded in the minutes of the body. A copy of the contract shall be filed with the State Board of Control showing the location within the agency and the terms of the contract. Proceeds, net revenue, rentals or commissions received shall be accounted for as State revenue and the amount so collected is hereby appropriated to the Institution for use as directed by the Board authorizing the installation."*
- 12.7 Pay Station Telephones Authorized. -- "Pay telephones may be located in State-owned Buildings or on State-owned Land only with the approval of the governing Board and the net proceeds shall be collected and accounted for as State revenue and the amount so collected is hereby appropriated for use by the agency as determined by the governing Board." *
- 12.8 Full Disclosure of Expenditures. -- "The expenditures of appropriations made by this Article to the General academic teaching institutions shall be contingent upon the full reporting each fiscal year to the State Auditor, in the manner and at the times prescribed by him, of expenditures made by each program or activity of such institutions, including auxiliary enterprises, of the fund sources of such expenditures, and of the expenditure allocations by programs and purposes out of Federal, private, and other grants and gifts." *

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Adopted July 9, 1966.

CHAPTER VIII*

PLANT IMPROVEMENTS

Sec. 1. New Construction.

- 1.1 New construction in an amount exceeding \$5,000 per project shall be approved by the Board of Regents upon recommendation of its Buildings and Grounds Committee, the Chancellor, the Vice-Chancellor for Business Affairs or his delegate, and the institutional head. It is the policy of the Board to employ a consulting architect for major new buildings and campus development plans at all component institutions, and to employ an associate architect for each major new building.
- 1.2 The institutional building committees shall study the physical plant needs of their respective institutions and make recommendations through administrative channels as to the priority of buildings, location of buildings, suggestions as to size, style, mechanical equipment, etc. The Vice-Chancellor for Business Affairs or his delegate shall be ex officio a member of all institutional building committees.
- 1.3 After the Board of Regents approves the construction of a new building and authorizes the preparation of preliminary plans, the procedures shall be as follows:
 - 1.31 The institutional head shall appoint a representative of the department or division concerned to serve as a member of the institutional building committee in planning the building.
 - 1.32 The institutional building committee shall prepare an outline of the needs of the building, with the Consulting Architect or his representative meeting with the group to discuss plans when necessary.
 - 1.33 The Consulting Architect shall prepare preliminary studies, including plans, elevation, exterior design, outline specifications, cost estimates, etc.
 - 1.34 Preliminary plans and estimates of costs recommended by the institutional building committee, the department or division concerned, the institutional head, the Vice-Chancellor for Business Affairs or his delegate and the Chancellor shall be approved by the Board of Regents. With the advice of the Consulting Architect and the Vice-Chancellor for Business Affairs or his delegate, the Board of Regents shall select an associate architect to prepare final plans and specifications.

* Adopted July 9, 1966.

- 1.35 The associate architect shall meet with the institutional building committees, the Vice-Chancellor for Business Affairs or his delegate, the Consulting Architect or his representative being present on occasion.
 - 1.36 Final plans and specifications, recommended by the Buildings and Grounds Committee, the institutional building committees, the department or division concerned, the consulting architect, the institutional head, the Vice-Chancellor for Business Affairs or his delegate, and the Chancellor shall be approved by the Board of Regents. After such approval the Board shall authorize the Vice-Chancellor for Business Affairs or his delegate to advertise for bids. Advertisements for bids for permanent improvements must, under State law, be carried for four consecutive weeks.
 - 1.37 The Vice-Chancellor for Business Affairs or his delegate shall receive and open bids, with the Consulting Architect and associate architect and others, tabulate and study such bids, and make recommendations to the Board of Regents through their Buildings and Grounds Committee.
 - 1.38 The Board of Regents shall award contracts, and the contract documents shall be prepared by the associate architect, checked and approved by the Vice-Chancellor for Business Affairs or his delegate and the University Attorney, and signed by all contractors involved and the Chairman of the Board of Regents. Work orders shall then be issued by the associate architect.
 - 1.39 The Vice-Chancellor for Business Affairs or his delegate shall approve contractors' estimates, sign change orders, and provide general supervision of all new construction for the University. He shall advise the Board of Regents, through its Buildings and Grounds Committee, if developments during construction require additional funds or other decisions of the Board.
 - 1.3(10) The Board of Regents shall appoint a committee from its membership and/or administrative officials to inspect the completed building and recommend final acceptance.
 - 1.3(11) Final payment shall be made to the contractors only after approval of the above committee, the associate and consulting architects.
- 1.4 New construction which involves a total expenditure of \$5,000.00 or less per project may be handled at the component institution involved without the necessity for approval by the Chancellor, the Vice-Chancellor for Business Affairs or his delegate, and the Board of Regents. In each case, however, the appropriation for the project must have been approved by the Director of Physical Plant, the Business Manager, and the Executive Head of the institution involved, and the plans and specifications must be approved by the institutional Building Committee (on buildings), the head of the department or school primarily concerned, the Director of Physical Plant and/or the Business Manager, and the Executive Head of the institution involved. This shall not include authority, however, to engage outside architects or engineers, as such employment must have the prior approval of the Board of Regents.

- Sec. 2. Minor Repairs and Remodeling. -- Minor repairs and remodeling of the physical plant involving proposed expenditures of less than \$20,000 per project shall be made under the supervision of the Director of Physical Plant and/or the institutional business officer at the component institutions, with the approval of the institutional head, provided that necessary funds have been approved through proper procedure.
- Sec. 3. Major Repairs and Remodeling.
- 3.1 Any repair or remodeling project of the Physical Plant involving an estimated expenditure of \$20,000 or more shall be deemed a major repair or remodeling project.
 - 3.2 Unless otherwise approved by the Board of Regents, the procedures and regulations pertaining to new construction shall apply to major repair and remodeling projects.
- Sec. 4. Institutional Building Committees. -- At each of the component institutions there shall be a building committee.
- 4.1 At institutions regularly offering instruction, this committee shall be appointed from the institutional faculty by the institutional head as other faculty committees are appointed.
 - 4.2 At other institutions, this committee shall be appointed by the institutional head as other institution-wide committees are appointed.
 - 4.3 The composition of the several building committees shall be set forth in the Institutional Supplement of each component institution.
 - 4.4 The Chancellor or his delegate and the Vice-Chancellor for Business Affairs or his delegate shall be ex officio members of all institutional building committees.
 - 4.5 Duties of institutional building committees shall be as follows:
 - 4.51 To hold necessary hearings and to make proper investigations regarding the building needs of the particular component institutions and to report conclusions to the institutional head.
 - 4.52 To recommend to the institutional head the priority of need and location of specific buildings, with reasons for such recommendations.
 - 4.53 When approval by the Board of Regents is given for the construction of a particular building to make suggestions to and through the institutional head to the Vice-Chancellor for Business Affairs or his delegate and the Consulting Architect of the University as to style, size, function, location, mechanical equipment, and general nature of the building, so as to facilitate the preparation of tentative plans and preliminary sketches.

- 4.54 To work with the Vice-Chancellor for Business Affairs or his delegate and the Consulting Architect and the associate architect until final plans and specifications for the construction of the building are prepared for presentation to the institutional head, the Vice-Chancellor for Business Affairs or his delegate, the Chancellor and the Buildings and Grounds Committee of the Board of Regents.
- 4.55 To make its reports and recommendations from time to time to the institutional head and the Vice-Chancellor for Business Affairs or his delegate, with summary reports to the Chancellor and to each member of the Buildings and Grounds Committee of the Board of Regents.
- 4.6 When requested by the institutional head or the Board of Regents (or its Building Committee) an institutional building committee shall confer directly with the Board.
- 4.7 The institutional building committee shall be relieved of further direct responsibility whenever a building contract is awarded, but shall be available as the building progresses for consultation as requested by the institutional head, the Vice-Chancellor for Business Affairs or his delegate, or the Consulting Architect and the associate architect.

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 Main University and Texas Western College.
- 5.2 Under the provisions of the current Appropriation Bill, none of the funds arising from the issuance of bonds under the authority of Section 18, Article VII, of the Texas Constitution, may be obligated for the construction of buildings until a summary of the proposed building program showing the character and location of buildings, the number of square feet, the type of construction, the estimated cost and the estimated completion date of each proposed building has been filed with the Legislative Budget Board.
- 5.3 Under the provisions of the current Appropriation Bill, prior to the allocation, expenditure or encumbrance of any funds arising from the issuance of bonds under the authority of Section 18, Article VII, of the Texas Constitution, for individual building construction projects costing in excess of Twenty-five Thousand Dollars (\$25,000), other than classroom, library and laboratory building projects, the planned expenditure of such funds shall be approved by the Governor after seeing the advice of the Legislative Budget Board.

(Subsections 5.2 and 5.3 -- Amendment No. 5 to September 1960 revision, Meeting No. 605, February 1962)

Sec. 6. Modification of Bids.

- 6.1 No bid shall be changed, amended, or modified by telegram or otherwise after it has been submitted or filed in response to an advertisement for bids in connection with the construction or erection of permanent improvements at The University of Texas or any of its component institutions 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.

Sec. 7. Furniture and Furnishings. -- The current Appropriation Bill provides that no money appropriated shall be expended for furniture or furnishings which has been imported from a foreign country. *

Sec. 8. Architectural Fees. -- The current Appropriation Bill provides that no funds appropriated may be expended for architectural fees without the advance written approval of the Governor after obtaining the advice of the Legislative Budget Board. *

* Adopted November 9, 1963.

Amended Oct 1, 1966
but rules not
revised..

CHAPTER IX

MATTERS RELATING TO THE ENDOWMENT OFFICE

Sec. 1. Certain Specific Authorizations to the Endowment Officer.

1.1 Permanent University Fund.

- 1.11 Authority to Effect Purchases and Sales of Securities for the Permanent University Fund. -- Under the Revised Investment Program for the Permanent University Fund of The University of Texas, adopted by the Board of Regents on January 12, 1957, and as subsequently amended, the Endowment Officer of The University of Texas is empowered to effect purchases and sales of securities for the Permanent University Fund within the approved investment policies. Such transactions are subject to prior approval as to timing and specific securities to be purchased by the Staff Investment Committee, comprised of the Vice-Chancellor (Fiscal Affairs), the Endowment Officer, the Assistant to the Endowment Officer, and the Senior Security Analyst. (The investment policy for the Permanent University Fund follows as Section 2, page 54, in summarized form. The policy in full detail is on file in the offices of the Secretary of the Board of Regents and in the Endowment Office.)
- 1.12 Authority to Endorse Securities Held by the Permanent University Fund. -- The Endowment Officer (or the Assistant to the Endowment Officer) and the Treasurer of the State of Texas (or the Acting Treasurer of the State of Texas) are jointly authorized and empowered to sell, assign, and transfer any and all of the bonds, stocks, notes, and other evidences of indebtedness and ownership of any description whatsoever owned by the Permanent University Fund of The University of Texas and registered in the name of "The University of Texas," "The University of Texas for Permanent University Fund, A State Endowment Fund, Austin, Texas," "Permanent University Fund of The University of Texas," or in any other registration required for securities purchased for the account of the Permanent University Fund.

1.2 Trust and Special Endowment Funds.

- 1.21 Authority to Effect Purchases and Sales of Securities for the Trust and Special Endowment Funds. -- Under the general investment policy for the various trust and special endowment funds

under the control of the Board of Regents of The University of Texas as trustee, as adopted by the Board of Regents on September 21, 1946, and as amended on May 30, 1958, the Endowment Officer of The University of Texas is empowered to effect purchases and sales of securities for the trust and special endowment funds within the approved investment policy, such transactions being subject to prior approval as to timing and specific securities to be purchased and sold by the Staff Investment Committee, comprised of the Vice-Chancellor (Fiscal Affairs), the Endowment Officer, the Assistant to the Endowment Officer, and the Senior Security Analyst. (The investment policy for the trust and special endowment funds follows as Section 3, page 56, in summarized form. The policy in full detail is on file in the office of the Secretary of the Board of Regents and in the Endowment Office.)

1. 22 Authority to Endorse Securities Held for the Trust and Special Endowment Funds. -- The Endowment Officer (or the Assistant to the Endowment Officer) is authorized and empowered to sell, assign, and transfer any and all of the bonds, stocks, notes, and other evidences of indebtedness and ownership registered in the name of "The University of Texas," "Board of Regents of The University of Texas," or in the name of any of the trust and special endowment funds coming under the control of the Board of Regents of The University of Texas as trustee or which may be assigned thereto.
1. 23 Authority to Receive and Collect Money and/or Property Due the Trust and Special Endowment Funds. -- The Endowment Officer is designated, authorized, and empowered to ask, demand, collect, recover, and receive any and all sums of money, debts, dues, rights, property, effects or demands whatsoever due, payable, or belonging, or which may at any time be or become due, payable, or belonging to any of the trust and special endowment funds coming under the control of the Board of Regents of The University of Texas as trustee from any person or persons whatsoever and to execute any and all necessary or proper receipts, releases, and discharges therefor, including the execution of oil and gas division orders and transfer orders covering interests owned in trust and special endowment funds.

Sec. 2. Investment Policy for Permanent University Fund. -- Pursuant to the provisions of a Constitutional Amendment approved by a popular majority at the General Election on November 6, 1956, which authorized the Board of Regents of The University of Texas to invest up to 50 per cent of the Permanent University Fund in corporate securities, the following policy in summarized form for the revised investment program for the Permanent University Fund was adopted by the Board of Regents on January 12, 1957, and as subsequently amended, has been in operation since May 7, 1957:

2. 1 Purchases of securities are to be limited exclusively to corporate securities until the distribution of the fund is as follows, the

percentages to be based on book value, that is, cost or amortized cost, of all securities purchased:

Government Bonds (United States, State of Texas, and Texas Municipal)	50 per cent
Corporate bonds (including rail equipment trust certificates) and Preferred Stocks	10 per cent
Common Stocks	40 per cent

Only new money coming into the Permanent University Fund and proceeds received from bond maturities will be committed to non-government securities until the above distribution is achieved.

- 2.2 To be eligible for purchase, corporate bonds and stocks must meet both the requirements of the Constitutional Amendment and the financial ratio, rating, and price standards as adopted in the policy by the Board of Regents.
 - 2.21 Any corporate bond meeting the Constitutional Amendment requirements and the policy standards may be purchased either on original offering or in the secondary market without prior approval of the Land and Investment Committee.
 - 2.22 Corporate stocks to be eligible for purchase must be issued by corporations which have been formally approved by the Land and Investment Committee and the Board of Regents and may be purchased without prior approval of the Land and Investment Committee as to specific stocks.
- 2.3 Corporate securities are to be purchased on the dollar cost averaging principle, without any attempt to appraise the short-term market trend, the averaging to be based on industry groupings rather than on individual corporations.
- 2.4 All purchases of securities are to be subject to prior approval as to timing of the purchases and the specific securities to be purchased by the Staff Investment Committee, comprised of the Vice-Chancellor (Fiscal Affairs), the Endowment Officer, the Assistant to the Endowment Officer, and the Senior Security Analyst.
- 2.5 All sales of securities are to be authorized in advance by the Land and Investment Committee and the Board of Regents, with timing of the specific sales subject to the approval of the Staff Investment Committee.
- 2.6 All purchases and sales of securities are to be reported at the next subsequent meeting of the Land and Investment Committee and the Board of Regents for ratification and approval. (For full details of the Constitutional Amendment requirements and policy standards, copies of the revised investment program for the Permanent University Fund may be obtained from the Endowment Office. A full copy is on file in the Office of the Secretary of the Board of Regents.)

Sec. 3. Investment Policy for Trust and Special Endowment Funds. --A general investment policy for the trust and special endowment funds under the control of the Board of Regents as trustee was adopted by the Board of Regents on September 21, 1946, and amended on May 30, 1958, such policy as summarized below being currently in operation:

3. 1 All purchases are to be selected from the following classes of securities:
 3. 11 United States Government direct or guaranteed obligations;
 3. 12 Texas Municipal Bonds, including revenue bonds;
 3. 13 Corporate bonds rated "A" or better by at least one national rating service;
 3. 14 Preferred and common stocks which have had continuous net earnings and paid annual common stock dividends for at least ten years prior to purchase.
3. 2 Purchases of United States direct or guaranteed obligations and of Texas Municipal and corporate bonds rated "A" or better by at least one national rating service may be purchased without prior approval of the Land and Investment Committee.
3. 3 The approved list of corporations for purchases of common and preferred stocks for the Permanent University Fund is approved for purchases of common and preferred stocks for the trust and special endowment funds without prior approval of the Land and Investment Committee.
3. 4 All purchases of securities are to be subject to prior approval as to timing of the purchases and the specific securities to be purchased by the Staff Investment Committee, comprised of the Vice-Chancellor (Fiscal Affairs), the Endowment Officer, the Assistant to the Endowment Officer, and the Senior Security Analyst.
3. 5 All sales of securities are to be authorized in advance by the Land and Investment Committee and the Board of Regents.
3. 6 All purchases and sales of securities are to be reported at the next subsequent meeting of the Land and Investment Committee and the Board of Regents for ratification and approval.
3. 7 The Endowment Officer is empowered and authorized to manage the trust and special endowment funds and in turn is authorized to carry out the operational details involved in the purchases and sales of securities for the funds through the Securities Division of the Endowment Office.
3. 8 The Land and Investment Committee is to review all trust and special endowment funds periodically in the light of the size and purpose of each fund and the investment provisions of the instrument establishing

the fund. (For full details of the investment policy for trust and special endowment funds, copies of the policy may be obtained from the Endowment Office. A full copy is on file in the Office of the Secretary of the Board of Regents.)

Sec. 4. Investment Policy for Funds Grouped for Investment.

- 4.1 A common trust fund, known as "Funds Grouped for Investment," was established by the Board of Regents on February 27, 1948, and amended on July 9, 1948, and is currently in operation for trust and special endowment funds under the control of the Board of Regents as trustee where the size of the fund suggests commingling in order to obtain proper investment diversification and a better rate of return on the endowment.
- 4.2 The general provisions of the policy for the "Funds Grouped for Investment" are summarized below:
 - 4.21 No fund is to be admitted unless it is under the sole control of the Board of Regents and/or some administrative official of the University in his official capacity, and full discretion as to investments rest therein. No administrative official is to have any direction over the management of the common trust fund other than to request admittance or withdrawal of any fund under his direction except as he is authorized and empowered to manage the fund under the investment policy adopted by the Board of Regents. No fund is to be admitted which contains a specific provision against commingling or which contains restrictions prohibiting purchase of securities approved for purchase by the Board of Regents as trustee under the adopted investment policy for trust and special endowment funds.
 - 4.22 Investments for the "Funds Grouped for Investment" are to be limited to such investments as are eligible under the investment policy for trust and special endowment funds as adopted and amended by the Board of Regents.
 - 4.23 The Endowment Officer is empowered and authorized to manage the common trust fund within the adopted policy and in turn is authorized to carry out the operational details involved in the purchases and sales of securities for the fund through the Securities Division of the Endowment Office. (For full details of the investment policy adopted for "Funds Grouped for Investment," copies may be obtained from the Endowment Office. A full copy is on file in the Office of the Secretary of the Board of Regents.)

CHAPTER X

AUXILIARY ENTERPRISES

- Sec. 1. Auxiliary Enterprises are those operated primarily for service to students and staff which are expected to be self-supporting. Examples are residence halls, dining halls, student hospitals, student unions, and bookstores.
- 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 of Regents. Income of Auxiliary Enterprises is not deposited with the State Treasurer, 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 Appropriation 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 of Regents, 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 institutional head, the Chancellor, and the Board of Regents.
- 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 institutional head at the institution concerned.
- Sec. 6. The money values of meals, lodging, and other services which employees are authorized to receive in lieu of additional wages or salary, are recommended to the institutional head by the Business Manager and approved by the Chancellor and the Board of Regents.
- Sec. 7. Statutory Provisions Currently in Effect. -- Auxiliary Budgets shall comply with statutory provisions and rider provisions of current Appropriation Bill.
- Sec. 8. Texas Student Publications, Inc.
- 8.1 At least fifteen copies of the minutes of all meetings of the Board

of Directors of Texas Student Publications, Inc., shall be delivered promptly to the Chancellor of The University of Texas for distribution to the Members of the Board of Regents, to the Secretary of the Board of Regents, and to such members of the University's administration as the Chancellor may direct. No action of the Board of Directors of Texas Student Publications, Inc., shall have any force or effect until it has been approved by the Board of Regents.*

- 8.2 No budget or budget amendment adopted by the Board of Directors of Texas Student Publications, Inc., shall have any force and effect until such budget or budget amendment has been approved by the Board of Regents of The University of Texas.*
- 8.3 No expenditure shall be made by Texas Student Publications, Inc., unless it is made in accordance with and pursuant to a budget item which has been previously adopted by the Board of Directors of Texas Student Publications, Inc., and approved by the Board of Regents of The University of Texas.
- 8.4 Within ninety days following the close of each fiscal year of Texas Student Publications, Inc., there shall be furnished to the Chancellor of The University of Texas for distribution to the Members of the Board of Regents, the Secretary of the Board of Regents, and to such members of the University's administration as the Chancellor may direct, at least fifteen copies of a complete audit of the fiscal affairs of Texas Student Publications, Inc., during the preceding fiscal year, prepared by a certified public accountant selected by the Board of Directors of Texas Student Publications, Inc..
- 8.5 All persons employed on salary by Texas Student Publications, Inc., shall be subject to approval by the Board of Regents of The University of Texas, both as to salary and as to qualification; provided, however, that the Executive Committee of the Board of Directors of Texas Student Publications, Inc., shall appoint and make awards to all members of the editorial staffs of the publications except the Editor and Managing Editor of The Daily Texan, the Editor of the Cactus, the Editor of the Ranger, the Editor of the Riata, and the Editor of Texas Engineering and Science Magazine, so long as such appointments and awards are made consistent with budgets previously approved by the Board of Regents and provided further that no action taken by the Board of Directors of Texas Student Publications, Inc. with respect to the employment, dismissal, salary, or duties and responsibilities of either the TSP General Manager or the Editorial Manager of The Daily Texan shall have any force or effect until it has been approved by the Board of Regents.**

* Adopted October 7, 1965.

** Adopted July 9, 1966.

- 8.6 In order to minimize sharply rising publishing costs, outside the campus of the Main University no copy or copies of any issue of The Daily Texan shall be given, delivered, or in anywise made available to any person or persons other than one copy for each paid subscription, no more than three copies to each advertiser in the issue in question, and one copy for each purchase price paid for an individual copy of the issue in question; provided, however, that The Summer Texan shall be permitted to furnish one edition free of charge to persons who indicate that they intend to enter the University as freshmen the following September. No individual copies shall be sold at less than the published price of such issue and in no event shall any individual copies be sold at a price less than five cents each.*
- 8.7 Any amendment to the Handbook of Texas Student Publications, Inc., may be made by a majority vote of the Board of Directors of Texas Student Publications, Inc., subject to the laws of the Students' Association, the Charter of Texas Student Publications, Inc., and the approval of the Board of Regents of The University of Texas.

* Adopted April 23, 1966.

(Section 8 Adopted March 13, 1965)

CHAPTER XI

RESEARCH AND TRAINING CONTRACTS, ETC.

- Sec. 1. Research and Training contracts, grants or agreements with outside agencies shall be recommended by the institutional head, and the University Comptroller, and approved by the Chancellor or his designated representative before final ratification by the Board of Regents. Funds shall not be encumbered or expended under any such contract or grant without the approval of the Chancellor or his designated representative.
- Sec. 2. Application for research, development and training contracts and grants, whether with government agencies, or industry, or foundations or other private granting agencies, shall be initiated by the faculty member who will direct the work. However, all such applications must be approved by designated administrative officials.
- Sec. 3. Under State law, a copy of all contracts between the University and the Federal Government shall be filed with the Secretary of State except those contracts classified in the interest of national security, in which case only a statement of the research project shall be filed. These copies and statements shall be filed with the Secretary of State through the Office of the Secretary of the Board of Regents.
- Sec. 4. If the work is to be financed by government agencies, the negotiations shall be handled with the advise and assistance of the Office of Sponsored Projects at the Main University and by the equivalent office at the other component institutions.*
- Sec. 5. Information as to overhead rates applicable to the type of contract to be entered into should be secured from the Vice-Chancellor for Business Affairs or his delegate or the Office of Sponsored Projects if with government agencies and otherwise from the business officers.*
- Sec. 6. Before final approval of any sponsored research or training contract or grant, the Vice-Chancellor for Business Affairs or his delegate shall examine and recommend approval of the proposed overhead rate therein contained. Proposals as to overhead rates on cost-reimbursement contracts with the Army, Navy, and Air Force shall be worked out in preliminary form by the Business Manager concerned and shall be reviewed and approved by the Vice-Chancellor for Business Affairs or his delegate before being submitted.

* Adopted July 9, 1966.

H-J desk copy
(provided for
mass. Redford)
DO NOT WRITE

This is the draft as finally
approved by Board - Jan. 1960.

FISCAL REGULATIONS
OF
THE UNIVERSITY OF TEXAS

ADOPTED BY
THE BOARD OF REGENTS
November 14, 1959

PART TWO

Part Two consists of rules and regulations which are fiscal in nature. These may be deleted or amended by the Board of Regents without the necessity for prior notice or action.

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Chapter I

GENERAL

Sec. 1. Gifts to the University.

- 1.1 The authority to accept gifts to the University or to any of the component institutions is vested in the Board of Regents.
- 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 institutional head to the President and by him, with recommendations, to the Board of Regents. These provisions, however, do not apply to contracts with public agencies.
- 1.3 The authority to accept gifts to a component institution is delegated to the institutional head when the gift is to a fund, foundation, or enterprise already approved by the Board of Regents or is a continuation of a series which has been previously approved by the Board. Such gifts shall be reported to the Board by the dockets of each component institution.
- 1.4 Each administrative head is empowered to accept cash gifts to The University of Texas of \$100 or less, within the policies of the Board of Regents and Legislature governing the acceptability of gifts, and to deposit such gifts to the appropriate accounts. A semiannual report of such gifts shall be filed in the Office of the Board of Regents within thirty (30) days after August 31 and February 28 of each year.
- 1.5 Except as provided in the preceding sections, no member of any staff has the power to accept gifts of money to the University 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

promptly to the institutional head. Such gifts need not be reported to the Board.

- 1.6 The University will not 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.
- 1.7 The acceptance of gifts of real property is prohibited without prior express approval of the Legislature except for establishing scholarships, professorships, or other trust funds for educational purposes and then only on condition that such gifts must not later require legislative appropriations for maintenance, repair, or construction of buildings. (Current Appropriation Bill)

Sec. 2. Fellowships, Scholarships and Loan Funds.

- 2.1 After gifts for fellowships, scholarships and loan funds have been accepted by the Board of Regents, 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 and he, 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 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 so far as is 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. Tuition and Other Fees.--Tuition and other fees will be fixed as prescribed or as authorized by statute, and will be set out in the institutional catalogue.

Sec. 4. Fiscal Year.--The fiscal year of the University shall be September 1 through August 31.

Chapter II

ACCOUNTING, AUDITING, REPORTING AND BUDGETARY CONTROL

Sec. 1. Types of Funds.

- 1.1 General Funds.--General Funds are those unrestricted, operating funds which are available for any purpose. They are expended in accordance with the budgets and appropriations approved by the Board of Regents. General Budget Funds balances shall not be reappropriated from one fiscal year to another unless specific approval is given the institutional head and the business officer by the President and the Board of Regents.
- 1.2 Special Activities Funds.--Special Activities Funds are general funds restricted by the University; the income and expenditures are ordinarily related to a particular department. With few exceptions, expenditures are limited to the income derived from the project. They are subject to the same restrictions as General Budget Funds although balances are automatically reappropriated at the end of each fiscal year.
- 1.3 Current Restricted Funds.--Current Restricted Funds are those received from individuals, firms, agencies, corporations, etc. or income derived from private endowments, to be used only for a particular purpose or project, specified by the donor, such as

exceptions, expenditures are limited to the income derived from the project. They are subject to the same restrictions as General Budget Funds although balances are automatically reappropriated at the end of each fiscal year.

1.3 Current Restricted Funds.--Current Restricted Funds are those received from individuals, firms, agencies, corporations, etc. or income derived from private 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 of Regents. Balances at the end of a fiscal year shall be carried forward to the succeeding year unless otherwise specified.

1.4 Agency Funds.--Agency Funds are funds handled through the institutional business office as the agent of the owner, after approval by the institutional head. Balances shall be carried forward to the Institutional Docket from year to year unless otherwise designated. Agency Funds shall be expended in accordance with the limitations of the agency agreement and applicable Rules and Regulations of the Board of Regents.

President and the Board of Regents shall

Sec. 2. Accounting.

2.1 The financial accounts of the University shall be kept in accordance with the recommendations of the National Committee on the Preparation of a Manual on College and University Business

Administration, as set forth in Volume I of "College and University Business Administration" (1952) published by the American Council on Education. Where those recommendations conflict with statutes applicable to the University or to official orders of the Texas Commission on Higher Education, the latter shall be controlling.

- 2.2 All accounting records and procedures shall be subject to the approval of the institutional business officer and the University Comptroller.
- 2.3 The business office of each component institution shall be the central office for accounting control for all financial transactions of the institution. The institutional business officer shall confer with departmental and administrative officials and instruct them concerning the records of financial transactions to be kept by the departments.
- 2.4 Each departmental head shall keep an account of funds and property for which he is responsible, as detailed as necessary to supplement the business office records and to furnish accurate information on receipts, credits, expenditures, and other charges.
- 2.5 Records shall be kept for each fiscal year.
- 2.6 All expenditures must be in accordance with the approved budget.
- 2.7 Statements of departmental 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.
- 2.8 A person in each department may be designated by the department head, with the approval of the institutional head, to sign vouchers, requisitions, etc. in his absence. These designations shall expire at the end of a fiscal year, or sooner if specified, and must be renewed each year.

Sec. 3. Auditing.

- 3.1 The institutional business officer is initially responsible for the pre-audit of all business items. Financial transactions concerning the receipt, custody, and disbursement of moneys shall be pre-audited to the extent necessary under the institutional accounting procedures and system of internal control, the fiscal regulations, and statutes or laws applicable to the University.
- 3.2 The pre-audit of disbursements and other transactions shall be a part of the regular accounting procedures of the business offices. Post-audits of various units and departments shall be performed as directed by the institutional business officer or the University Comptroller.
- 3.3 Although the University Comptroller is responsible for the internal post-auditing of business transactions affecting the component institutions, this work shall be done under the supervision of the business officers of the component institutions and the Branch College Auditor.
- 3.4 The business records of accounts and other records shall be verified and authenticated within the budgets, regental actions, and statutory requirements.
- 3.5 The Branch College Auditor, under the supervision of the University Comptroller, shall be initially responsible for the post-audit of business activities at the component institutions, except the Main University. He shall conduct the audits in accordance with accepted auditing standards, including necessary tests of the records. He shall make a written report of each audit, calling attention to any transactions which may not be in accord with legal requirements, institutional accounting principles, and institutional policies and regulations.
- 3.6 The State Auditor, under State law, shall be responsible for the external audit of the University's books.

Sec. 4. Reporting.

4.1 All financial reports shall be prepared in accordance with the provisions of the statutes, official orders of Texas Commission on Higher Education, and the directives of the Board of Regents and in conformity with the Manual, "College and University Business Administration," referred to above. The forms shall be prepared by the institutional business officer and approved by the University Comptroller.

4.2 Two reports, both of which shall be prepared under the direction of the institutional business officer and the University Comptroller, shall be prepared annually by the University:

4.21 Annual Financial Report. On or before December 29, printed financial reports, set up in accordance with the forms recommended in Volume I, "College and University Business Administration" (1952) shall be filed with the Texas Commission on Higher Education. The certificate of audit of the State Auditor is to be included if his report has been completed.

4.22 Salary Payment Report.

~~4.221~~ On or before ^{December 31} ~~November 30~~ each year, an itemized schedule shall be prepared of salaries and wages paid all employees for services during the preceding fiscal year out of any

in Volume I, "College and University Business Administration" (1952) shall be filed with the Texas Commission on Higher Education. The certificate of audit of the State Auditor is to be included if his report has been completed.

4.22 Salary Payment Report.

~~4.221~~ On or before ^{December 31} ~~November 30~~ each year, an itemized schedule 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 of Regents, showing 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, and a summary of all expenditures

by departments. Two copies of this report shall be prepared, one copy for the Office of the Secretary of the Board of ~~_____~~ and one copy for the Office of the Comptroller. "

4.3 A monthly ~~financial~~ report shall be ^{prepared by the} prepared by each business office and ~~_____~~ distributed to administrative officials and to the Office of the ~~_____~~ Secretary of the Board of Regents. "

4.4 ~~_____~~ Monthly financial reports reflecting income receipts, approved budget changes, and expenditures for each component institution shall be prepared by Central Administration.

4.5 Other reports, such as the quarterly report to the Bureau of the Census, may be made from time to time as well as internal reports pertaining to estimates of income, budgets, etc., but only those considered essential to effective administration shall be requested from the institutional business office.

Sec. 5. Annual Budgets.

5.1 Annual budgets for all the component institutions shall be approved by the Board of Regents within the budget estimates of income prepared by the institutional business officer and the institutional head.

5.2 General policies for the budget preparation shall be recommended by the President to the Board of Regents and shall be followed in preparing the budgets. Instructions for details of budget preparation shall be furnished to the institutional heads by Central Administration.

5.3 The institutional head 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 institutional head and transmitted, with his recommendations, to the President for review and final recommendation to the Board.

5.4 Rules and procedures for budget administration shall be prepared by Central Administration, approved by the Board of Regents, and shall be included in the completed budgets.

Sec. 6. Biennial Budget Requests.

6.1 The University shall submit biennial budget requests as may be required to the Texas Commission on Higher Education, to the Legislative Budget Board, and to the Executive Budget Office in the form and at the time prescribed,

6.2 These requests shall be prepared in conformity with the same general procedures as outlined above for the annual budgets:

6.21 Approval of budget writing policies by the Board of Regents upon recommendation of the President.

6.22 Preparation of the budget of expenditures by the institutional head in conformity with these policies.

6.23 Approval of the finished budget by the President and the Board of Regents.

6.3 The estimates of income shall be included in the biennial budget requests prepared by the institutional business officer and the institutional head.

Chapter III

RECEIPT, CUSTODY, AND DISBURSEMENT OF MONEYS

Sec. 1. Receipts, Cash Registers, and Admission Tickets.

- 1.1 No department, division, or individual staff member is authorized to receive money in the name of the University without prior approval of the institutional business officer and institutional head.
- 1.2 An official receipt in the form prescribed by the institutional business officer shall be issued for all moneys received.
 - 1.21 Where the volume of sales justifies their use, cash registers shall be used with recording tapes listing the amount of each sale. When cash registers are not used, cash sales tickets or receipts shall include, if practical, the name of the purchaser, itemization, and price of the articles sold.
 - 1.22 Admission tickets, including complimentary tickets, shall have the price of admission indicated thereon, and all such tickets shall be pre-numbered, 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 all receipts from such sales shall be deposited in the business office as outlined later.
 - 1.23 A list showing the names of all persons receiving complimentary tickets shall be furnished the business office as a part of the prescribed ticket report.

Sec. 2. Deposits with Institutional Business Office.

- 2.1 Money received by all departments from all sources shall be deposited in the institutional business office using an official form. The deposits shall be daily if the receipts are \$50 or more, and weekly even if the accumulation is less than \$50. When cash is included,

the deposit shall be made in person by a departmental representative to whom an official receipt is issued.

2.2 Cash overages are deposited in the business office; notations pertaining to cash over or short shall be included on the deposit form.

2.3 Petty cash funds for making change shall be provided only on approval of, and by arrangement of, the department with the institutional business officer. Petty cash funds from which disbursements will be made shall have the approval of the institutional head as well.

Sec. 3. Deposits with the State Treasurer.

3.1 The appropriation bill requires that all cash receipts at the Main University and at Texas Western College be deposited in the State Treasury with the exception of those from auxiliary enterprises, non-instructional services, student service fees, student activity fees, parking fees, agency and restricted funds, endowment funds, student loan funds and Constitutional College Building Amendment Funds.

3.11 To facilitate the transferring of institutional receipts to the State Treasury, it is provided that each institution may open a clearing account in a local depository bank to which it deposits all receipts daily.

3.12 Not less than every five days, the institutional business officer shall make remittances to the State Treasury in the form of checks drawn on the clearing account except that a balance of not more than \$500 may be maintained.

3.13 The money deposited in the State Treasury shall be paid out via State warrants.

3.2 At its option, the University may use its local depository General Funds bank accounts instead of the special clearing account within the general requirements for deposits and transfers to the State Treasury.

3.3 The University, by law, is authorized with the approval of the State

Comptroller to maintain Revolving Funds to facilitate the payment of nominal expenses - to pay bills within cash discount periods.

- 3.31 When authorized by the State Comptroller, the University may use the revolving fund for regular monthly payrolls as well as for weekly and special payrolls.
- 3.32 Disbursements from the revolving funds are reimbursed from state appropriations on claims filed with the State Comptroller under regularly prescribed procedures. One voucher and one warrant may cover a number of claims for this purpose. Reimbursement claims must meet the same requirements as other claims against state appropriations. Each institution shall prepare a reimbursement claim as of the close of business on the last day of each month or more often as may be expedient to avoid maintaining large revolving funds.
- 3.33 The Board of Regents shall determine the amounts of the revolving funds and shall designate a depository bank for each such fund, specifying persons authorized to sign checks drawn on such funds. Depository banks shall secure revolving fund deposits as provided by law.

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 local depository banks for safekeeping. Requests for new depository bank accounts and for any authorized signatures to be accepted by the bank must have the approval of the University Comptroller and the President who shall notify the bank and others concerned. Depository agreements with the local banks shall be negotiated by the University Comptroller with the assistance of the institutional business office and the institutional head and shall be submitted to the President and Board of Regents for approval.
- 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 within five days from the date of collection. Such funds are usually carried as demand deposits; however, they may be carried as time deposits at a negotiated interest rate.

4.3 The Board of Regents and the institutional heads 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.

Sec. 5. Charge Sales.--The University is not allowed, by law, to sell property or service on credit.

Sec. 6 Sales to Staff Members.--Sales of University property may be made to staff members only after authorization by the Board of Regents through docket approval.

Sec. 7. Vouchers for Expenditures.

7.1 Main University Vouchers for disbursement of funds shall be prepared in the departmental offices at the Main University. They shall be signed by the head of the department, or someone recommended by him in writing and appointed by the Vice-President and Provost of the Main University, and such vouchers shall be approved by an authorized person in the auditor's office.

7.2 At the other component institutions, vouchers shall be prepared, ~~in the business offices~~ in the business offices, ~~and~~ vouchers shall be approved by the Business Manager or some person ~~in the business offices~~ whom he may delegate such authority.

7.3 Vouchers ~~shall be~~ prepared on State of Texas Purchase Voucher

Printing to be done

They shall be signed by the head of the department, or some-
one recommended by him in writing and appointed by the
Vice-President and Provost of the Main University, and such
vouchers shall be approved by an authorized person in the
auditor's office.

7.2 At the other component institutions, vouchers shall be
prepared, where possible, in the business offices, and vouchers shall be approved by the
Business Manager or some person whom he may delegate such authority.

7.3 Vouchers shall be prepared on State of Texas Purchase Voucher
Form, P-1, consisting of five copies as follows:

- No. 1. For State Comptroller (if paid from State funds)
- No. 2. For Board of Control (if purchased through Board of Control)
- No. 3. For Institutional Business Office
- No. 4. For Institutional Department (file copy)
- No. 5. For return with check to vendor (sent by business office
with payment)

*Business Manager or
by some person
to whom he
may delegate
such authority.*

7.4 Vouchers are to be coded in the business offices within the approved
expenditure codes and, if payable by warrant from the State Treasurer,
with the proper expenditure classifications furnished by the State
Comptroller.

7.5 If two or more invoices from the same vendor and chargeable to the

same account are to be paid, payment may be by one voucher, even though covered by more than one requisition and/or purchase order except:

7.51 Separate vouchers shall be prepared for contract and non-contract invoices on purchases through the Board of Control.

7.52 Separate vouchers shall be prepared for invoices for purchases made through the Purchasing Division and Printing Division of the Board of Control.

7.6 Cash discounts and credits shall be shown in full on the vouchers and shall include the amount and number of the invoice, less discount or other credits, and the net amount. Explanations shall be made for all deductions.

7.7 A red "Rush - Discount" tag shall be attached to the face of the voucher and, in such cases, they shall be handled separately from other vouchers in the business office.

Sec. 8. Vouchers Payable from State Funds ~~_____~~ ends on deposit in State T ~~_____~~

8.1 When materials, supplies, and other items are purchased through the Board of Control, four copies of the Voucher Form are submitted to the business office and Copy No. 1 (or the attached invoice) must be notarized if the amount is more than \$50.

8.2 If the amount is \$50 or less, either a notarization or a signed certification is required. The certification, if used, must read as follows:

I certify under the penalty of perjury that this claim has been examined by me and to the best of my knowledge and belief is true and correct.

8.3 When purchases are not made through the Board of Control, all copies excepting Nos. 2 and 4 are submitted and Copy No. 1 (or the attached invoice) must be notarized or a certification made as indicated in the preceding paragraph.

Sec. 9. Vouchers Payable from Local Funds. Funds not on deposit in State

- 9.1 When materials, supplies, etc. are purchased through the Board of Control, Copy No. 3 may become the original and, if so, Copy No. 1 need not be submitted unless the required notarization or certification appears thereon. Notarization or certification is required as stipulated in the preceding section entitled "Vouchers Payable from State Funds."
- 9.2 When materials are not purchased through the Board of Control, only Copies Nos. 3 and 5 need be submitted, with Copy No. 3 as the original. Notarization or certification is required.

Sec. 10. Outstanding Checks.

- 10.1 Outstanding checks shall be carried on the official accounting records for the two fiscal years following the year in which they are issued. (Example: if issued in 1953-54 they would be carried through August 31, 1956). Those still outstanding at the end of the second fiscal year after issue shall be cancelled and written off the official accounting records.
- 10.2 Each business office is expected to make diligent effort to minimize the number of such outstanding checks, particularly those in excess of \$10.

Sec. 11. Institutional Membership Dues.--University funds shall be used to pay membership fees only in educational, scientific or other associations which the University is an institutional member, with initial membership approved by the Institutional Heads and the President. "

Sec. 12. Payrolls.

- 12.1 There are three general types of payrolls, those for (1) regular salaried employees; (2) weekly salaried employees; and (3) hourly salaried employees.
- 12.2 At the Main University, payrolls for all regular salaried employees, except those for Auxiliary Enterprises, shall be prepared in the Pay-division of the Auditor's office, and approved by the Auditor or Auditor.

12.21 Vouchers and payrolls for weekly and hourly employees, and regular salaried employees in Auxiliary Enterprises, shall be prepared in triplicate on proper forms by the department concerned. They shall be approved by the head of the department, or someone authorized to sign for him, and shall include the name of the payee, accurate calculations of pay, as well as the account to which charge is made.

12.22 Those covered by Workmen's Compensation Insurance shall be so indicated.

12.23 Two copies shall be transmitted to the Payroll Division for approval by the Auditor or Assistant to the Auditor.

12.3 At the other component institutions, all payrolls shall be prepared in the business office from regular budgets, appointment forms and letters, time cards, etc., and approved by the Business Manager or a person designated by him."

12.4 If payment for regular salaried employees is for less than a month, the salary shall be figured proportionately on the actual number of days in a given month, e. g., 28, 30, 31.

12.5 Deductions for income tax, teacher and employees retirement, and social security are made where applicable on all payrolls. At some institutions, hospitalization insurance is also deducted if approved by the Board of Regents.

12.6 Dates for distribution of salary checks vary at the component institutions and are announced by the business office.

Sec. 13. Absence from Usual and Regular Duties, Authorization for Absence, Including Travel, and Travel Expense Reimbursement.

13.1 Absence from Usual and Regular Duties

13.11 Authorization for any member of a faculty or staff of the University to be absent from his usual and regular duties will be granted only under the following conditions:

13.111 When such absence is on state business, which shall include,

among other purposes, the formal presentation of original researches by an employee before a national, regional, or state learned society, and

13.112 When appropriate provisions are made to carry on the duties of the absent person without additional expense to the University.

13.2 Authorization for Absence for Staff Members Whose Regular Duty Does Not Require

Travel. Authorization for absence from usual and regular duties, including travel from the city or town where the University officer or employee is regularly stationed, will be granted by the Board of Regents, or by the Administrative Officer to whom the Board may delegate authority, only by advance permission obtained as follows:

13.21 Request for permission to be absent for a period not in excess of one week (7 calendar days) shall be transmitted through the proper administrative channels to the executive head of the component institution for approval.

At the Main University, request for such absence, including travel on official business without expense to the University, shall be transmitted, with reasons therefor, through the departmental chairman or administrative superior to the appropriate dean or equivalent administrative officer for approval; but if reimbursement for travel is involved, the approval of the Vice-President and Provost is required.

13.22 Request for permission to be absent for a period in excess of one week but not in excess of two weeks, including travel on official business, shall be transmitted through proper administrative channels to the President of the University for approval prior to such absence.

13.23 Request for permission to be absent for a period in excess of two weeks (excluding holidays approved by the Board), including travel on official business, shall be transmitted through proper administrative channels to the President of the University and to the Board of Regents or the Executive Committee of the Board for approval prior to such absence.

13.24 Request for permission to be absent by the administrative officers and staff of Central Administration shall be approved by the President.

staff member is employed.

13.25 Any travel which contemplates reimbursement from funds appropriated by the Legislature for travel expenses incurred outside the continental limits of the United States must have the written approval of the President of the University and the Governor prior to the travel, in addition to the authorizations required in the appropriate preceding subdivisions.

13.26 In lieu of any of the delegations of authority to approve absence from usual and regular duties, including official travel, specified in the above subdivisions, the President of the University may exercise such authority.

13.27 The chief administrative officers of the component institutions shall keep records of all approved absences and shall submit detailed summaries

periodically to the President for distribution to the Board of Regents.

Approvals of travel shall not be routine or perfunctory, but shall be made

13.28 Approval of Travel Expense Reimbursements

only after the executive head, or his authorized representatives, have carefully examined the purpose and need for each trip with a view to the economic and effective utilization of all travel funds. "

For travel. Heads of component institutions shall plan the travel of all employees under their authority to achieve maximum economy and efficiency.

13.32 Travel vouchers for reimbursement of all official travel authorized pursuant to the foregoing provisions shall be approved and signed as follows:

13.321 Central Administration -- Reimbursement for all travel shall be approved either by the President of The University of Texas or by the Auditor or Assistant Auditor of the Main University.

13.322 Component Institutions -- Reimbursement for all travel by employees of the component institutions shall be approved either by the President of The University of Texas or by the administrative officers designated below:

Main University - the Vice-President and Provost, Auditor, or Assistant Auditor.

Texas Western College - the President of Texas Western College or the Business Manager.

Medical Branch, Galveston - Executive Director or the Business Manager.

Southwestern Medical School - the Dean or Business Manager.

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13.25 Any travel which covers reimbursement from funds appropriated by the Legislature for that occurred outside the continental limits of the United States shall have the written approval of the President of the University and the Governor prior to the travel, in addition to the authorizations required by the appropriate preceding subdivisions.

13.26 In lieu of the delegations of authority to approve absence from usual and regular duties, including official travel, specified in the above subdivisions, the President of the University may exercise such authority.

13.27 Heads of administrative officers of the component institutions shall keep records of all approved absences and shall submit detailed summaries periodically to the President for distribution to the Board of Regents. **Values of travel shall not be routine or perfunctory, but shall be made**

Plan of Travel Expense Reimbursements

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↑
see
under

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Southwestern Medical School - the Dean or Business Manager.

Dean and

Dental Branch - the Dean or the Business Manager.

M. D. Anderson Hospital and Tumor Institute - Director, ~~the~~ ^{the} the
Administrator, or the Business Manager.

Postgraduate School of Medicine - Dean or the Business Manager.

- 13.33 Per Diem Allowances - Travel Status for Continuous Period of Twenty-Four (24) Hours or More - An employee who is traveling on official University business and is in continuous travel for a period of twenty-four (24) hours or more will be reimbursed at per diem rates, in lieu of actual expenses for meals and lodging in accordance with the following:

	Rates	
	In State	Out of State
Per Diem per calendar day	\$ 9.00	\$ 15.00
One fourth ($\frac{1}{4}$) the rate for a calendar day for each period of six (6) hours or fraction thereof	2.25	3.75

13.34 Partial Per Diem for Meals and Lodging.

13.341 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, as follows:

- 13.3411 Breakfast allowance if the employee departs from designated headquarters before 7:00 A.M. (or, in case of his return to designated headquarters after 7:00 A.M.) \$1.00
- 13.3412 Lunch allowance if the employee is away from his designated headquarters after 1:00 P.M. \$1.00
- 13.3413 Dinner allowance if the employee is away from his designated headquarters after 7:00 P.M. \$2.00

13.342 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 involve over-night stay will be reimbursed for meals and lodging in an amount not in excess of \$9.00 at the rate

of \$2.25 for each six (6) hour period involved or fraction thereof.

13.35 Per Diem Allowances - Travel Status for a Continuous Period of Less Than Six (6) Hours -- No partial per diem or actual expenses (except transportation) will be paid an employee who is away from designated headquarters for a period of less than six hours.

13.36 Day Defined for Per Diem Purposes --

13.361 The calendar day (midnight to midnight) is the unit for computing the per diem allowance.

13.362 For a fractional part of a day at the commencement or ending of continuous travel the six hour periods of 12:01 A.M. to 6:00 A.M., 6:01 A.M. to 12:00 Noon, 12:01 P.M. to 6:00 P.M. and 6:01 P.M. to 12:00 Midnight are each considered to be one-quarter ($\frac{1}{4}$) of a calendar day.

13.363 Computation of per diem shall be on a quarter day basis, the initial quarter to be that in which travel begins and the final quarter to be that in which travel ends.

13.364 Out-of-State travel status commences at the beginning of the next quarter after the employee in travel status crosses the state line and continues through the quarter in which the employee returns to the state line. Payments for both in-state and out-of-state per diem allowance will not be made for the same period of a calendar day.

13.37 Transportation Allowance

13.371 Public Conveyance Including Taxis:

An employee traveling by public conveyance is entitled to a transportation allowance equal to the actual cost of transportation, excluding federal tax. Receipts for such public transportation, ~~excluding receipts for city bus, taxi, or limousine fares in amounts of~~ \$2.50 or less, shall be obtained and attached to the employee's expense account when submitted. A detail list of all claims for public transportation including city bus, taxi, and limousine fares

in amounts of \$2.50 or less shall be shown on Travel Expense Account under "Record of Transportation Claimed for Each Trip."

13.372 Private Conveyance:

An employee traveling by private conveyance shall be reimbursed at the rate of eight cents (8¢) per mile on the basis of the shortest practical route between points.

13.3721 Reimbursement for mileage in the State of Texas shall include the use of Farm-to-Market roads. The latest official highway map published by the State Highway department shall be the official map for use during the current biennium.

13.3722 When two or more employees travel in a single private conveyance, only one shall receive a transportation allowance, but this provision shall not preclude each traveler from receiving a per diem allowance.

13.3723 When two, three, or four officials or employees of Central Administration or of one of the component institutions of the University with the same itinerary on the same dates are required to travel on the same official state business for which travel reimbursement for mileage in a personal car is claimed, mileage reimbursement will be claimed and allowed for only one of the employees except as provided hereafter. If more than four employees attend such meeting or conference in more than one car, full mileage reimbursement shall be allowed for one car for each four employees and for any fraction in excess of a multiple of four employees. If, in any instance, it is not feasible for these officials or employees to travel in the same car, then prior official approval from the President for Central Administration, or the head of the component institution for employees of that institution shall be obtained and shall be considered as authorization and the basis for reimbursement for travel for each person authorized to use his personal car in such travel.

- 13.38 Reimbursement for Dues or Registration Fees -- Reimbursement will not be allowed for dues, registration fees, or similar expense, incurred in joining or attending any type of organizations or associations unless the membership is in the name of the State of Texas and/or The University of Texas. Reimbursement will not be allowed for the cost of meals that may be included in the registration fees. Receipts for such dues or registration fees shall be obtained and attached to the expense account. If reimbursement is claimed, vouchers shall include a statement that the membership is in the name of The University of Texas.
- 13.39 Exception to Per Diem Allowance -- Subject to the advance written approval of the President of the University, the Executive Head of each component institution may designate one assistant who shall be reimbursed for actual expenses of meals, lodging and incidental expenses not to exceed Twenty-five Dollars (\$25) per day when traveling on official business either in or out of the State. This authorization, however, shall be valid only for periods not to exceed one week in each instance. The Executive Head of the component institution authorizing such travel allowance shall file with the Comptroller of Public Accounts a written statement as to the purpose of such travel expense incurred by the employee each and every time such designation is made. Travel authorized under this exception to the per diem allowance must be specifically indicated in the required reports.
- 13.310 Special Exceptions to Foregoing General Travel Regulations -- The provisions of the foregoing general travel regulations apply to all employees and all funds but employees may elect to take advantage of the specific exceptions authorized below:
- 13.3101 Contracts - Travel allowances under research or other contracts, which are 100% reimbursable, will follow the terms of the contract, and in the absence of specifications the travel rules and regulations covering payments from Trust Funds will apply.
- 13.3102 Trust Funds -- Travel allowances paid from Trust Funds, unless otherwise specified under the grant or gift, shall be on the basis of actual expenses incurred in lieu of per diem not to exceed a maximum of \$15.00 a calendar day. Expense incurred under this

provision must be itemized so as to show the amount expended each day for meals and lodgings. All public transportation expenses in excess of \$2.50 shall be supported by receipts.

13.3103 Intercollegiate Athletics -- Actual expenses will be paid at no per diem limit, provided such expenditures in the amount of \$2.00 or more are supported by signed receipts.

Sec. 14. Freight and Express, Advertising, Postage and Box Rent, Telephone, Telegraph and Subscription Vouchers.

- 14.1 Vouchers for freight and express charges are, if practicable, made payable to the local agent but in the name of the transportation company. A careful check shall be made for damages or shortages and, if any, notation is made on the receipt of the transportation company before the shipments are accepted. The vendor shall be notified in writing when damages or shortages occur and a copy of the notification shall be attached to the voucher when deductions are made on the invoice. In general, charges for freight and express are made against the same accounts as those charged for the purchase of the related materials.
- 14.2 Transportation charges for purchases at delivered prices (f.o.b. destination) cannot be paid by the University. An acceptance shall, therefore, not be given the transportation company unless such charges are prepaid.
- 14.3 A copy of the advertisement, as well as the invoice and affidavit of the publisher, showing rates in conformity with State laws, shall be attached to vouchers for advertisements.
- 14.4 Vouchers for postage and postal box rent shall be made payable to the United States Postmaster. Postage stamps are available at a central supply center at most institutions. Where a postage meter is used by the institution, the use of stamps is limited.
- 14.5 Payment for telephone charges shall be handled at the Main University through the Office of the Director of Physical Plant. Inter-departmental vouchers are sent to the department being charged and all long-distance calls shall be carefully checked in the department before the vouchers are sent to the Business Office. At the other component institutions, the vouchering and checking shall be handled through the business offices. ~~Personnel Only authorized persons shall make long distance calls on University business and personal long distance calls shall not be charged to institutional accounts.~~ Only authorized persons shall make long distance calls on University business and personal long distance calls shall not be charged to institutional accounts."

14.6 ~~An itemized statement from Western Union~~ Copies of all telegrams sent shall be retained in the files of the department or office responsible for the charge for one fiscal year and shall be checked against the itemized bill from Western Union before vouchering the bill. The itemized statement from Western Union showing the persons sending each telegram and the person to whom the message was sent shall be attached to the voucher for payment."

~~CONFIDENTIAL~~

14.7 Subscriptions to publications shall be vouchered after the first copy is received. This is noted on the voucher or invoice for payment, as well as the period covered by the subscription.

Sec. 15. Supplies and Equipment.--At most of the component institutions, stationery, office supplies and some other general supplies and equipment may be secured through an institutional supply center. Payment for such purchases shall be by inter-departmental transfer vouchers which originate in the office furnishing such materials. When supplies and equipment are purchased through the Board of Control, or are payable from local funds, the general regulations for preparation of vouchers shall be as outlined herein.

Sec. 16. Insurance on Money and Securities.--As approved by the Board of Regents, the University 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 a loss occurs the University Comptroller shall be notified by the appropriate Business Manager

shall approve all loss claims and settlements. Any settlement of \$10,000 and under \$10,000 shall be approved by the President as well as the Comptroller, and shall be reported to the Board of Regents for approval at the next meeting. Settlements in the amount of \$10,000 or more

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Sec. 17. Receipting for Payments. All statutory or rider provision requirements as to receipts for warrants in payment of salaries, wages or reimbursement of official travel expenses shall be complied with by the component institutions.

Chapter IV

PURCHASING

Section 1. Authority to Obligate Funds. The official purchasing agents of the component institutions shall have sole authority to obligate funds of their respective institutions for purchases unless otherwise provided in these regulations or otherwise specifically approved by the institutional head and the President or by the Board of Regents. The University can assume no liability for payment of obligations except those incurred in accordance with authority thus granted.

Section 2. Purchasing Ethics.

2.1 All qualified, reputable bidders shall be given equal opportunity to submit bids on a uniform basis when competition is possible.

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

2.3 Purchasing agents and their staffs and others authorized by or under these regulations to make purchases shall not accept gratuities or become obligated to individuals or firms seeking business.

2.4 Any violations of these purchasing ethics shall be reported promptly to the President and to the Board of Regents.

Section 3. Purchases of Supplies and Equipment.

3.1 Unless otherwise provided in these Regulations or specifically approved by the Board of Regents, the State Purchasing Act of 1957 shall govern the purchasing policies of the University. This Act gives the authority to the University to purchase, without approval of the Board of Control:

- (a) 1. Supplies, materials, services and equipment for resale.
- (a) 2. For Auxiliary Enterprises.
- (c) 3. For Organized Activities relating to instructional departments.
- (a) 4. From Gifts and Grants.

3.2 Unless otherwise provided in these regulations or specifically authorized by the executive head and the President, all purchases of supplies and equipment shall be made through the official purchasing agents of the component institutions.

3.3 The official University purchasing agents shall be the heads of the departments.

wise provided in these regulations or otherwise specifically approved by the institutional head and the President or by the Board of Regents. The University can assume no liability for payment of obligations except those incurred in accordance with authority thus granted.

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- (d) From Gifts and Grants.

3.2 Unless otherwise provided in these regulations or specifically authorized by the executive head and the President, all purchases of supplies and equipment shall be made through the official purchasing agents of the component institutions.

3.3 The official University purchasing agents and divisions, departments, or offices of the University to whom the purchasing function has been delegated shall observe sound and generally accepted purchasing practices of educational institutions including the following:

- 3.31 Items on State Contract processed through the Board of Control will be purchased through the official purchasing agents.
- 3.32 Purchases of supplies and equipment payable (or reimbursable) from Federal funds, trust funds, and auxiliary enterprises funds may be made directly from vendors if it is essential to efficient operation to do so or if monetary savings would result.
- 3.33 Closed or non-competitive specifications shall not be used except in unusual instances clearly justified as being essential to efficient operating performance. Reports of all such exceptions with a summary of the reasons therefor shall be filed quarterly with the President and with the Secretary of the Board of Regents.
- 3.34 Competitive bids, usually a minimum of three, shall be secured whenever competition is available.
- 3.35 Purchase awards should be made to the supplier submitting the "lowest and best bid" as defined in the State Purchasing Act of 1957.

*and the divisions, departments or offices
to whom the purchasing function has been
specifically delegated,*

information from it, can be secured from the purchasing agents,
who also render assistance in securing bids as well as in preparing
and processing requisitions.

Sec. 4. Contacts with the State Board of Control. All contacts, whether oral
or written, with the State Board of Control and with vendors are
handled through the official purchasing agents, unless advance written
authorization is obtained from ~~them~~ *the purchasing agents managers* or the business ~~officers~~ for other
persons to do so.

Sec. 5. Requisitions.

5.1 Separate requisitions shall be made for:

5.11 State contract items purchased through the Printing Division
of the State Board of Control;

5.12 State contract items purchased through the Purchasing Division
of the State Board of Control; and

5.13 Items to be purchased in the open market by competitive bids,
or otherwise.

5.2 Requisitions for supplies and equipment shall be prepared on the
official departmental requisition form, approved by the chairman
of the department, or other administrative official, and the original
forwarded to the business office or other designated office for
approval as to availability of funds and to the official purchasing
agent for approval of the purchase. Requisitions shall show an
actual or estimated cost and shall be numbered consecutively.
Separate requisitions shall be made for purchases on the open market
for each class of items, such as hardware, electrical supplies,
chemical supplies, etc. The department shall be furnished a copy
of each purchase order issued against its funds by the purchasing
agents.

5.3 Requisitions shall not be required for perishable items, automobile repairs which include both material and labor, and service charges which include only labor. However, vouchers payable from State funds for perishable items, or automobile repairs including material must be approved by the State Board of Control.

Sec. 6. Requisitions for Space Leases.

6.1 Space leases involving buildings must, by law, be approved by the State Board of Control and may not extend beyond the current biennium.

^{6.2} Proposals for space leases require the approval of the President and the Board of Regents, and lease contracts drawn in accordance with such approval shall be signed by the University Comptroller. "

lease completed prior to occupying the space for office, storage or other purposes. The requisition must show:

- 6.21 Type of space and purpose of its use;
- 6.22 Approximate number of square feet;
- 6.23 Location;
- 6.24 Whether janitor service and/or utilities will be furnished by the lessor;
- 6.25 Period of the lease; and
- 6.26 Any other requirements.

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make part of sentence following colon.

6.2 Proposals for space leases require approval by the President and the Board of Regents and lease contracts shall be approved and signed by the University Comptroller.

Sec. 7. Rental of Machines and Equipment. Requisitions for rental of all machines and equipment are required, by law, to be approved by the State Board of Control prior to the beginning of the rental period. They are submitted through the purchasing agents and payment of the rentals shall be made only after approval of the requisitions by the Board of Control. Also, see section 11, of this Chapter.

Sec. 8. Purchase of Air Conditioning Equipment. It is the policy of the Board of Regents that expenditures for purchase of any new or additional air conditioning equipment must be approved in advance by the Board or the President on recommendation of the executive head of the component institution. Because the installation or replacement of air conditioning equipment frequently involves special electrical installations, departments shall secure the approval, in writing, of the Director of Physical Plant and/or the Business Officer before initiating a request for such equipment. When departmental funds are the source of the original purchase, installation costs, as well as maintenance and repair costs, shall be paid from departmental budgets.

Sec. 9. Purchase of Stationery, Office Supplies, Stenographic Services, Mimeograph and Multilith Work, Printing, Books, Periodicals, and Magazine Subscriptions.

9.1 Stationery, office supplies, stenographic services, mimeograph and multilith work shall be purchased by departments and administrative offices from the Stenographic Bureau at the Main University or from a central source of supply at the other component institutions. The department, in writing, shall authorize certain persons to make such purchases.

9.2 Printing at the Main University is usually purchased from the University Printing Division, and at the other component institutions purchases are made as designated by the business officer.

9.3 Books, periodicals and magazine subscriptions, if payable from general budget funds, shall be purchased at the Main University through the University Library by the use of a book order card. Purchases from other funds at the Main University and purchases at the other component institutions, shall be made by requisition through the purchasing agents.

Sec. 10. Purchases from Employees. Purchases are not permitted from any officer or employee of the University unless the cost is less than

that from any other known source and until approved by the institutional heads, the President, and the Board of Regents. Details of such transactions shall be reported in the dockets or Minutes of the Board.

Sec. 11. Purchase or Rental of Certain Typewriters. In accordance with the current appropriation bill purchase or rental of executive and/or proportional spacing typewriters is not permitted unless the head of the department makes an affidavit attached to the requisition for the purchase that the use of such typewriter shall be more economical than purchasing printed matter and such typewriter shall be in continuous use for at least six (6) hours a day. Also, see Section 7 of this Chapter.

Sec. 12. Acceptance of Used or Rented Equipment on Purchase of New Equipment.

Used or rented equipment shall not be accepted in fulfillment of an order for new machines or new equipment, even though such machines or equipment have been used by the component institution making the order.

Chapter V

PERSONNEL

Sec. 1. Classified Personnel. The Policy of the Board of Regents on the Development and Coordination of the Classified Personnel Programs. This policy covers:

1.1 The development and operation of the Branch Personnel Program as defined in the duties of the Branch Personnel Officer. This extends to:

1.11 The administration of the Classified Personnel Program in his institution. The ~~Director~~ *Branch Personnel Officer* shall:

1.111 Know the objectives and all of the details of the program.

1.112 Assume responsibility for recommending all changes in the written program to his chief executive officer.

1.113 Interpret the personnel program to his institution-- administration, supervisors, and employees.

1.12 The classification plan. The ~~Director~~ *Branch Personnel Officer* shall:

1.121 Recommend all changes in any existing job classification or the creation of any new job classification.

1.122 Write all class specifications.

1.123 Allocate all jobs to the proper job classification.

1.124 Assure that no person is appointed in a position in the classified service under a title not included in the Classification Plan.

1.13 The Pay Plan. The ~~Director~~ *Branch Personnel Officer* shall:

1.131 Recommend all changes in approved salary ranges together with the ranges for all new job classifications.

1.132 Make salary studies to determine correctness of existing

salary ranges and to substantiate recommendations for new ranges or changes in existing ranges.

1.133 Assure that no appointment and/or change of salary is made which is:

1.1331 Below the minimum salary for the class range (except for a "Trainee").

1.1332 Above the maximum salary for the class range.

1.1333 Not on a regular step (or fraction thereof if part time).

1.14 The policies and rules. The *Grand Personnel Officer* ~~Director~~ shall:

1.141 Provide a uniform interpretation of the institution's personnel policy.

1.142 Advise his chief executive officer and the System ~~Personnel~~ *Personnel* Adviser of any violation or abuse of this policy. "

1.143 Recommend any necessary change in the written ~~Policies~~ *Policies* and Rules.

1.15 Personnel transaction. The *Grand Personnel Officer* ~~Director~~ shall:

1.151 Approve all budget recommendations, appointments, changes of status, military leaves, leaves without pay, separations or other personnel transactions involving classified employees ~~prior~~ to final consideration by his chief executive officer to assure conformity with all provisions of the Classified Personnel Program.

1.152 Call to the attention of his chief executive officer in writing any violation of the program which may be approved outside the channels provided above, with a copy to the ~~President of The University of Texas.~~

System Personnel Adviser

Board Personnel Officer

1.16 Personnel services. The Director shall provide necessary personnel services to departments of his institution as rapidly as time and staff permit. These services should include, as a minimum, the following:

1.161 Centralized personnel records.

1.162 A program of interdepartmental promotions.

1.163 Centralized recruiting for job vacancies.

1.164 A training program.

1.165 A program of employee communication.

1.2 The development and coordination of the System-Wide Personnel Program. ~~The following rules shall apply:~~

1.21 The Classification Plan.

1.211 Coverage: The Classified Service of The University of Texas System shall include all positions on the staff at the University which do not entail significant instructional responsibilities or responsibilities for the administration of instructional or research organizations. The chief executive officer of each component institution shall determine the inclusiveness of the classified service within this general definition, and shall submit upon request to the President a list of those administrative or research positions not included in the classified program.

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1.212 Type of Plan: Uniform use shall be made of the "grading or Job Classification" system of job evaluation. Job specifications shall be prepared according to the Procedure for Writing Class Specifications provided by the Office of the President of The University of Texas.

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 ~~g~~ similar work. Classes unique to a component institution shall have suitable descriptive titles.

1.214 Job Code: A uniform job code entitled the Personnel Classification Code shall be used to designate job classes. This code ~~shall~~ be used on IBM cards to compile statistical information on classified employees.

1.22 The Pay Plan.

1.221 A uniform system of salary steps providing for an increase of five per cent, 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 uniform system for setting forth the salary ranges for each job classification shall be used in the pay plans for each institution.

1.223 Salary ranges for each job classification shall be dependent upon the competitive labor market situation for each institution, as determined by pay surveys.

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 Uniform policies shall be followed in providing vacation,

sick leave, etc., within the limitations imposed by local operating conditions.

⁵ ~~1.24~~ ^{Branch} ~~Classified Personnel Officer.~~

⁵ 1.241 The chief executive officer of each component institution shall designate one qualified official who shall be responsible under the chief executive officer of that institution for the development and operation of the Classified Personnel Program.

⁵ 1.242 Functional direction and help on technical personnel matters shall be provided each classified personnel officer by the Office of the President of The University of Texas.

⁵ 1.24 Approval of additions to and changes in the Classified Personnel Program.

⁵ 1.251 Formal approval of the Classification Plan, Pay Plan, and Policies and Rules developed by each institution was obtained from the Board of Regents at the time each program was formally adopted.

⁵ 1.252 Changes in the Classification Plan, Pay Plan, and Policies and Rules at each institution must be made upon the recommendation of the branch personnel officer, the chief executive officer of the institution, and ^{have} the approval of the President and the Board of Regents. Such changes must have the approval of the President prior to inclusion in the Regents' Docket for the institution concerned.

⁵ 1.26 ~~Duties of the System Personnel Advisor~~ - The System Personnel Adviser serves as a staff officer advising the President through the Vice-President for Fiscal Affairs on the Classified personnel

programs for each of the component units of the system.

1.27 Reports.

Necessary reports concerning the status and operation of the various classified personnel programs may be required by the President of The University of Texas.

Sec. 2. General Personnel.

2.1 Fidelity Bond.

2.11 As approved by the Board of Regents, the University shall carry a blanket position (fidelity) bond which shall cover employees of all component institutions. ~~_____~~ All employees shall be covered in the amount of \$5,000 each. It shall be the responsibility of the Comptroller to recommend to the President through the Vice-Chancellor for Fiscal Affairs the administrative officials who are to be covered by amounts in excess of this figure, and the amount of coverage recommended for each. ~~_____~~ Comptroller is necessary. *← see under*

2.12 The Secretary of State and the State Comptroller of Public Accounts shall be each furnished with an original of the bond. The Bond shall be issued in "triplicate originals", with one original to remain with the University Comptroller. A copy of the Bond shall be filed in the Office of the Secretary of the Board of Regents. ~~_____~~

2.13 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. ~~_____~~

2.14 At the time a loss occurs ~~the~~ University Comptroller shall be notified by the appropriate Business Manager and shall approve all loss claims and settlements ~~_____~~ Any settlement over \$1,000 and under \$10,000 shall be approved by the President as well as by the Comptroller, and shall be reported to the Board of Regents for ratification at the next meeting. Settlements in the amount of \$10,000 or more must have the advance approval of the Board of Regents. ~~_____~~

2.2 Withholding Exemption Certificate. Every employee must execute and file with the institutional business officer an Employees' Withholding Exemption Certificate before compensation can be paid, since the United States Treasury Department, Internal Revenue Service, requires collections of Income Tax on wages at the source

programs for each of the component units of the system.

1.27 Reports.

Necessary reports concerning the status and operation of the various classified personnel programs may be required by the President of The University of Texas.

Sec. 2. General Personnel.

2.1 Fidelity Bond.

2.11 As approved by the Board of Regents, the University shall carry a blanket position (fidelity) bond which shall cover employees of all component institutions. ~~Each bond shall be in the amount of \$5,000 each for all employees and certain specific excess coverage for administrative and business officials.~~ For total coverage in excess of \$10,000, approval of the State Auditor is necessary. *see under*

2.12 The Secretary of State and the State Comptroller of Public Accounts shall be each furnished with an original of the bond. The Bond shall be issued in "triplicate originals", with one original to remain with the University Comptroller. A copy of the Bond shall be filed in the Office of the Secretary of the Board of Regents.

2.13 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.

2.14 At the time a loss occurs ~~The~~ University Comptroller shall be notified by the appropriate Business Manager and shall approve all loss claims and settlements ~~of~~ \$1,000 and under \$10,000 shall be approved by the President as well as by the Comptroller, and shall be reported to the Board of Regents for ratification at the next meeting. Settlements in the amount of \$10,000 or more must have the advance approval of the Board of Regents.

2.2 Withholding Exemption Certificate. Every employee must execute and file with the institutional business officer an Employees' Withholding Exemption Certificate before compensation can be paid, since the United States Treasury Department, Internal Revenue Service, requires collections of Income Tax on wages at the source

The deductions for taxes withheld is authorized by State Law on payroll forms prescribed by the State Comptroller.

2.3 Leave for Military Duty.

2.31 A leave of absence not to exceed fifteen calendar 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, are engaged in field or coast defense training, parade or encampment as ordered or authorized by proper authority. During such periods, the employee is absent without loss of efficiency rating or vacation time, or salary, and is restored to the position and status he previously held when relieved from military duty.

2.32 The institutional heads may prescribe forms and procedures for such requests.

2.4 Overtime.

2.41 Classified Personnel.

2.411 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.

Equivalent compensatory time off for required overtime of at least one hour or more above established work periods is given employees whose salaries are below the minimum for a full-time instructor at all institutions except the M. D. Anderson Hospital and Tumor Institute and the Southwestern Medical School where definite salary limits are set.

2.412 Overtime equivalent not to exceed a regular work week may be accumulated and compensatory time taken at a mutually convenient time. Under exceptional circumstances payment may be made to eligible employees on a straight time basis from the budget of

the employing department, upon approval of the appropriate administrative officials.

2.42 Faculty.

2.421 Full-time faculty members of the rank of Instructor or above are permitted to work a maximum of 10 hours per week additional time in government and other sponsored projects upon recommendation of the chairman and dean of their respective departments, schools, or colleges, and with the approval of the project director and the head of the component unit and to receive extra compensation for such work at a pro rata of their full-time teaching salary rate; 'provided however, that such additional work does not interfere with the regular ~~teaching~~ duties of the individual. "

or above may be similarly approved for additional work in government and other sponsored projects subject to a maximum combined work load of 50 hours per week, compensation in the sponsored project to be at a pro rata of the regular full-time teaching salary rate.

2.423 With rare exceptions, full-time employees on a twelve months' salary basis shall not be permitted extra employment on government and other sponsored projects. In the event that such employment is approved, it is governed by the limitations stated above.

2.5 Student Employment.

2.51 The employment of students as Teaching Assistants and Assistants at the Main University is effected through the appropriate departmental chairman and dean in accordance with the Quantity of Work rule with notification to the Vice-President and Provost.

2.52 The employment of students as classified personnel is handled through that office; notices of work available are listed with the Student Employment Bureau.

2.53 The Quantity of Work rule provides that the combined study and work load of an employed student may not exceed sixty hours per week. In arriving at the total combined work load, each class hour of course work carried is valued at three clock hours.

2.54 Exceptions to this rule are rarely made and then shall be made only upon specific recommendation of the student's academic dean.

2.6 Patent Policy. Where no specific contract to the contrary has been approved by the Board of Regents, the following policy applies to patents obtained by University employees:

2.61 The title to the patent for a discovery or invention by a University employee shall belong to the employee subject to the following provisions:

2.611 When total net royalties, or other compensations, are less than \$1,000, no payment to the University is required.

2.612 When net royalties, or other compensations, amount to more than \$1,000 but less than \$5,000, 10% of the excess of such royalties or other compensations over \$1,000 shall be paid to the University.

2.613 When net royalties, or other compensations, amount to more than \$5,000, the royalty or other compensation paid the University will be 10% on the amount above \$1,000, but less than \$5,000, and 20% on all amounts

of \$5,000 or more.

2.614 Where contributions have been made to research projects by private donors, non-exclusive licenses on all inventions or discoveries resulting from such research may be issued on a reasonable basis without discrimination in favor of or against those making contributions in aid of the research.

⁴ Sec. 3. Other Regulations Concerning Personnel are Reported in Rules and Regulations of the Board of Regents, Part ^{the} ~~One~~ ^{P. 35}, as follows:

Affidavit - Chapter III, Sec. 1.6, page 19.

Political Aid and Legislative Influence - Chapter III, Sec. 1.7, page 20.

Physical Examination - Chapter III, Sec. 1.8, page ~~21~~ ²⁰.

Employment of Aliens - Chapter III, Sec. 3, page 21.

Indebtedness to the University or the State - Chapter III, Sec. 27, page ~~28~~ ³⁴.

Appointment of Relatives (Nepotism Rule) - Chapter III, Sec. 5, page ~~28~~ ²²,

Holidays - Chapter III, Sec. 14, page ~~25~~ ³⁰.

Vacation - Chapter III, Sec. 15, page ~~33~~ ³⁰.

Sick Leave - Chapter III, Sec. 18, page ~~34~~ ³¹.

Leave for Jury Duty - Chapter III, Sec. 19, page ~~35~~ ³¹.

Leaves of Absence Without Pay - Chapter III, Sec. 16, page ~~34~~ ³⁰.

Absence from Usual and Regular Duties - Chapter III, Sec. 20, page ~~35~~ ³¹.

Office Hours - Chapter III, Sec. 12, page ~~32~~ ²⁹.

Outside Employment - Chapter III, Sec. 13, page ~~32~~ ²⁹.

Acceptance of Money from Students - Chapter III, Sec. 25, page ~~32~~ ³³.

Textbooks and Other Materials Prescribed for the Use of Students - Chapter III, Sec. 23, page ~~36~~ ³².

Institutional Employees as Students - Chapter III, Sec. 29, page ~~38~~ ³⁵.

Power to Authorize Expenditures out of University Funds - Chapter III, Sec. 26, page ~~37~~ ³⁴.

Division of Salaries for Staff Engaged in Teaching and Non-Teaching Activities - Chapter III, Sec. 17, page ~~34~~ 31,
Compensation for Correspondence and Extension Teaching of Fulltime Staff Members - Chapter III, Sec. 22, page ~~35~~ 32,
Classified Personnel Systems - Chapter III, Sec. 2, page ~~21~~ 20,
Code of Ethics - Chapter III, Sec. 4, page ~~22~~ 21,
Tenure, Promotion, and Termination of Employment - Chapter III, Sec. 6, page ~~25~~ 24,
Modified Service - Chapter III, Sec. 30, page ~~32~~ 35,

Chapter VI

STAFF BENEFITS

(Staff benefits may be subject to change by State and Federal Law. Application in specific instances should be verified.)
Sec. 1. Teacher Retirement System.

- 1.1 There are two types of members in the Teacher Retirement System:
 - 1.11 Teacher members - employees occupying positions as teachers, clerks, administrators, supervisors and related occupations in educational institutions; and
 - 1.12 Auxiliary employees - all other employees of educational institutions otherwise eligible, such as building attendants, carpenters, etc.
- 1.2 All employees of the University employed on a regular, full-time salary are required by law to participate in the Teacher Retirement System, which became effective for teacher members September 1, 1937, and for auxiliary members September 1, 1949, except persons eligible at those times who executed waivers within the period allowed by law and have not revoked such waiver if later permitted, and members of the Employees Retirement System about which information is given later.
- 1.3 Annual membership dues in the Teacher Retirement System are \$3 which amount is deducted from the first salary payment in a fiscal year. Members contribute six per cent of their salary up to and including \$8400 per year, with the maximum contribution of \$504 per year, which amount is deducted from the monthly salary payment. The contributions are sent monthly by the business offices to the Teacher Retirement System. Each year members receive a statement from the Teacher Retirement System, through the business offices, of their total contributions, plus accumulated interest through August 31 of the preceding year. Within the provisions of the law, the State also contributes to the member's account.

- 1.4 The annuity payable at retirement is based on the salaries earned by the member. Annuity payments for services rendered prior to September 1, 1955, are based on the average annual salary of the member during the five-year period from September 1, 1950 to August 31, 1955. Annuity payments for services rendered subsequent to August 31, 1955, are based on the actual salary earned during each year of such service, not to exceed \$8,400.00 of salary for any one year.
- 1.5 When a member leaves the employment of the public schools of Texas, he may withdraw the amount of his contribution, plus accumulated interest, upon application, or he may leave the funds at interest for not more than five out of six consecutive years during which period he pays the annual membership dues.
- 1.6 If a member dies before retirement, his beneficiary, depending upon the relationship to the member, will be entitled to death benefit payments or survivor benefit payments, whichever renders the greater advantage to the beneficiary. If there is no beneficiary with an insurable interest, payment will be limited to the accumulated contributions plus interest standing to the account of the member with the Teacher Retirement System.
- 1.7 Eligibility for retirement benefits is as follows:
- 1.71 With ten years creditable service upon reaching age 65, member is entitled to retire with full benefits based on service rendered and salary earned. A teacher member is entitled to minimum benefits of \$75.00 per month. An auxiliary employee is entitled to minimum benefits of \$50.00 per month.
- 1.72 With fifteen years creditable service upon reaching age 55, member is entitled to retire at reduced actuarial equivalent of benefit payable at age 65.
- 1.73 With twenty years creditable service upon reaching age 60, member is entitled to retire with full benefits based on service rendered and salary earned. A teacher member is entitled to minimum benefits

of \$100.00 per month. An auxiliary employee is entitled to minimum benefits of \$75.00 per month.

1.74 With 25 years creditable service upon reaching age 55 or with 30 years creditable service at any age, member/is entitled to retire at reduced actuarial equivalent of benefit payable at age 60.

1.8 Creditable service consists of prior service, former membership service, and current membership service. For teacher members, prior service is that before September 1, 1937; former membership service is that rendered during the period September 1, 1937, to August 31, 1955; and current membership service is that rendered subsequent to August 31, 1955. For auxiliary employees, prior service is that rendered prior to September 1, 1949, former membership service is that rendered during the period September 1, 1949, to August 31, 1955; and current membership service is that rendered subsequent to August 31, 1955.

1.9 Information pertaining to options under which retirement benefits may be drawn and to reciprocal service between the Teacher and Employees Retirement Systems, as well as other information, may be secured from the local institutional business office, the Central Administration Office of Workmen's Compensation Insurance and Other Staff Benefits, or the Teacher Retirement System in Austin.

Sec. 2. Employees Retirement System.

2.1 There are relatively few employees of the University who are members of the Employees Retirement System since they are no longer eligible for initial membership in this system. Only those who were eligible between September 1, 1947 and August 31, 1949, and who did not waive membership as of September 1, 1947, are now members. Beginning September 1, 1949, new employees who would previously have been eligible for this plan became eligible for membership in the Teacher Retirement System as auxiliary employees.

2.2 Annual membership dues in this system are \$2 which sum is deducted from the first monthly salary payment in a fiscal year. Contributions

of employees are 4 1/2 per cent of the total salary earned, which is deducted from monthly salary payments. The University contributes an amount equal to that of employees, payable from the same source as the salary. All contributions are deposited monthly with the Employees Retirement System and by law are deposited by that agency with the State Treasurer.

2.3 Member's deposits are handled in the same way as in the Teacher Retirement System.

2.4 Provisions for membership and retirement requirements and benefits are quite similar to those for the Teacher Retirement System. Prior service in this system is all creditable service prior to September 1, 1947, and membership service that which was earned since that date.

2.5 Further details, including information pertaining to reciprocal service with Teacher Retirement System, may be secured from local institutional business office, the Central Administration Office of Workmen's Compensation Insurance and Other Staff Benefits, or the Employees Retirement System in Austin.

Sec. 3. Group Life Insurance.

3.1 The University carries a master group life insurance policy, covering all institutions, with the Aetna Life Insurance Company for a "One Year Term Plan." Premiums are payable annually, in advance, increase for each person with each year of age, and are payable entirely by the individual. The program is optional but is available only to full-time employees; new employees are notified of their eligibility by the business offices immediately after employment.

3.2 The amount of insurance available is equal to the annual salary, or nine months' salary for faculty members on that basis, to the nearest \$100, with a minimum of \$500 and a maximum of \$5,000, renewable annually by the individual. Coverage is adjusted with

salary changes, at the option of the employee at the beginning of a fiscal year, but mandatory within the limits above on February 2 of each year, the anniversary date of the policy.

- 3.3 No medical examination is required if application is made for insurance within 90 days from the date of employment. After the 90 day period, an "Evidence of Insurability" form, prepared by the company and available through the business offices, is required. No medical examination is required if this form is accepted by the company after review, but, if it is not so accepted, the applicant must have a medical examination at his expense. Coverage is usually the date the application form is accepted by the business office but is subject to the conditions indicated above.
- 3.4 Premiums are collected by the business office according to statements sent to the policyholders from that office. Premiums must be paid before January 31 each year.
- 3.5 Beneficiaries are designated by the policyholders on the application forms and may be changed during the life of the policy upon application to the business offices. Each policyholder receives a certificate issued by the company and transmitted through the business offices.
- 3.6 Policyholders who go on modified service under the Rules and Regulations of the Board of Regents may continue the policy in the amount held at the time of going on modified service or may have it reduced to conform to the modified service salary. The plan selected at that time cannot be changed later.
- 3.7 A policyholder who is less than 60 years of age and who becomes permanently and totally disabled, may receive the face amount of the policy in accordance with one of several options. There are no disability benefits after age 60.
- 3.8 Benefits at death are payable according to one of several options. Upon notification of the death of a policyholder, the business.

office assists is the preparation of the required records to be sent to the company.

- 3.9 Participation in the Group Life Insurance Program automatically terminates when employment terminates unless the policyholder retires under the provisions of the Teacher Retirement System or the Employees Retirement System or unless he converts the group policy into one for regular individual life insurance. This conversion may be made, without a medical examination within 31 days of termination of employment, to any regular individual life insurance policy, except term insurance, customarily issued by the company.

Sec. 4. Group Hospitalization and Medical Benefit Plans

- 4.1 Group hospitalization and medical benefit plans may be instituted or continued at each of the component institutions subject to approval of the institutional Head, the University Comptroller, the President and ratification through the Regent's docket.

Sec. 5. Workmen's Compensation Insurance

- 5.1 The Workmen's Compensation Insurance Program is on a university-wide, self-insuring basis, financed by setting aside not more than two per cent of the annual payroll of covered employees, and provides certain benefits for injuries sustained on the job. These benefits include payments for reasonable medical aid, hospitalization, etc.; total or partial incapacity; specific losses; and death.

Proposed to be

- 5.2 The Director of Workmen's Compensation Insurance and Other Staff Benefits, in cooperation with other University officials, investigates accidents and injuries, and endeavors to develop, publish, and enforce safety rules and regulations. His office keeps a complete record of all injuries on the job and is responsible for reporting them to the Industrial Accident Board.

5.3 All employees whose names appear on the payrolls are eligible except:

5.31 Administrative staff, including officers of the administration;

5.32 Teaching staff, research staff, clerical and office employees and supervisory staffs unless hazardous work is required, such as handling or working in close proximity with dangerous chemicals, materials, machinery or equipment; working in a dangerous area; performing manual labor; traveling regularly; or being exposed to hazards of occupational disease; and

5.33 Persons paid on a piece work basis or any basis other than by the hour, day, week, month or year.

5.4 Eligible employees who do not wish coverage may waive all rights to the benefits at the time of appointment. However, the waiver may be revoked at any time during continuous employment and the employee covered by insurance 30 days after the application form is signed, upon taking the necessary physical examination and being certified as physical fit.

5.5 A physical examination by a designated physician is required for all persons to be covered and, before the individual's name can be placed on the payroll, the executed original of the examination form must be filed in the Workmen's Compensation Insurance and Other Staff Benefits Office. The Director furnishes a list of physicians for these examinations which is approved by the Board of Regents. A fee of \$5 is paid by the Workmen's Compensation Insurance Office for each examination. Persons who fail to pass the physical examination cannot be covered by the insurance. They may be employed only after signing a waiver of all rights.

5.6 A notice of coverage is signed by all employees who are covered, with the original filed in the Director's office before a name is

placed on the payroll. All personnel forms and payrolls include pertinent information on Workmen's Compensation Insurance by a symbol or other notation.

5.7 The percentage of the annual payroll, within the two per cent mentioned in Section 5.1 above is approved by the Board of Regents, and the amount is set aside from available appropriations other than itemized salary appropriations. Each business officer prepares and sends to the Comptroller of the University at Austin a monthly report of covered employees showing the source of their salaries and, if from local funds, enclosing a check for the amount due. The Comptroller of the University deposits these checks in a local depository bank and requests the State Comptroller to transfer the amounts due on payrolls paid from State funds to the Workmen's Compensation Insurance Fund in the State Treasury.

5.8 Physicians are designated for treatment and care of injured employees upon recommendation of the Director and approval of the President and the Board of Regents and are called for treatment when possible though other competent physicians may be authorized for treatment at the request of the employee. Emergency treatment, however, may be provided by any available physician and at any hospital, including institutional health centers or hospitals. The insured employee and the physician in charge choose the hospital to be used, except as indicated for emergency treatment. The designated physician authorized to treat injured employees files a Surgeon's Report with the Director when treatment is first given. Fees for services rendered should be reasonable and fair and commensurate with services performed. They are, by law, subject to control of the Industrial Accident Board.

5.9 The supervisor of a covered employee who is injured during the course of employment, must file a complete report with the Director whether or not time is lost from work. If time is lost, a supplemental report is filed when the employee returns to work. When the time lost is over 60 days, this report is filed at the

end of each 60 day period. The same form is used if the employee is disabled later due to the original injury. In the event of death of the injured employee, the form is filed immediately.

5.10 The supervisor is also responsible for keeping in close touch with injured employees and their attending physicians and investigating medical attention to see that unnecessary aid and visits are avoided. He approves the statement from the physician as to services rendered although not actual charges for treatment.

5.11 Compensation paid is in lieu of salary and wages and the employee's name is therefore dropped from the payroll when he is unable to work after injury, and is not returned to the payroll until he is back on the job after certification by the attending physician.

5.12 The compensation for a covered employee injured in the course of his work is equal to 60% of the average weekly earnings for the 12 months immediately preceding injury though not more than \$35 nor less than \$9 per week. Compensation to an employee on less than a full work day basis is not more than 60% of his average weekly earning, with the same maximum of \$35. Compensation is not paid for incapacity of less than one calendar week unless incapacity continues for 28 days at which time the compensation is paid for the first seven days. Benefits may be paid for no longer than 401 weeks from date of injury for total incapacity and no longer than 300 weeks for partial incapacity for work. For specific injuries, the Director has information available on request concerning benefits for specific injuries such as the loss of a hand or an eye. In case of death, benefits are computed on the basis of 360 weeks from injury.

5.13 Payment for physical examinations, medical aid, hospitalization and compensation is through the Workmen's Compensation Insurance and Other Staff Benefit Office.

5.14 The Workmen's Compensation Insurance and Other Staff Benefits Office shall issue an annual report through proper channels to the President and to the Secretary of the Board of Regents for the information of the members of the Board which shall include at least the following information: The names of all employees receiving workmen's compensation benefits during the preceding year, and for each such employee the number of separate incidents involving loss of time, the total working days lost, and the total compensation received; a list of physicians to whom payments were made and the totals paid to each."

Sec. 6. Social Security (Old-Age and Survivors Insurance).

6.1 As an employer, the University complies with the relevant provisions of the Social Security Act. All University employees are required to participate in the Federal Social Security Program as a condition of employment.

Chapter VII

PHYSICAL PROPERTIES

Sec. 1. Except as otherwise specifically authorized, ~~University~~ University property 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. A Property Manager is designated at each institution.

Sec. 2. Use of Physical Facilities of the University by Outside Groups; The University of Texas as a Joint Sponsor. Use of University physical facilities, especially auditoriums, gymnasiums, and large rooms, by outside groups shall be subject to the following rules in which the "University" shall mean any component institution:

- 2.1 The University of Texas will not permit the unrestricted use by non-University groups of any of its facilities.
- 2.2 The University will not enter into joint sponsorship of any project or program that is to result in private gain for the cooperating group or groups.
- 2.3 The University, established as a public institution without regard to political^{affiliation} or religious faith, cannot be a joint sponsor with any non-campus 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 of Regents.
- 2.4 Whenever non-University groups share in the use of University buildings it must be upon the invitation of The University of Texas and under its joint sponsorship, and with the further understanding that all the conditions governing such sponsorship are to be set by the University.

- 2.5 The University 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.
- 2.6 The University 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 University.
- 2.7 It shall be understood that the availability of the University's auditorium facilities for functions other than the institution's own activities is strictly subject to the needs and the convenience of the University, which are always to have priority in the scheduling of facilities.
- 2.8 The use of University auditoriums on Sundays will be limited to Sunday afternoons. Authorization for their use at that time will be given only for concerts or other programs appropriate to the day.
- 2.9 In the case of programs for which the University is a joint sponsor with some other 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.

Sec. 3. Inventories.

- 3.1 An actual physical inventory of University property shall be made each fiscal year in accordance with the Law enacted by the 52nd Legislature. The institutional head is responsible for forwarding through administrative channels a statement describing the method of verifying the inventory within 45 days after the inventory date set for the University.
- 3.2 Department heads are initially responsible for all University property in their care and for the taking of the inventory on the prescribed record forms. The report is prepared in the

department in triplicate, one copy being kept for departmental files and the original and one copy forwarded to the business office or other designated office.

- 3.3 Inventories as of August 31 include all equipment on hand and vouchered for payment, listed at cost plus freight. All non-consumable property valued at \$5 or more per unit is equipment subject to inventory. Items which are worn out or discarded are listed as charged off in accordance with instructions furnished.

Sec. 4. Motor Vehicles.

- 4.1 Any motor vehicles permitted under State law to be owned and operated by the University shall be used only on official University business. Each vehicle shall carry an inscription on both sides as prescribed by law.
- 4.2 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 with the office of the institutional head within ten days after use of the vehicle.
- 4.3 The operators of University-owned vehicles must hold, at their expense, an appropriate operator's license for the type of vehicle operated.
- 4.4 University-owned vehicles are subject to the compulsory inspection required by law.
- 4.5 It shall be the obligation of the Business Manager of each of the component institutions to see that all employees who are required to drive University-owned vehicles are fully informed of their personal responsibility and liability for their negligent operation.

Sec. 5. Insurance on University Property .

- 5.1 The following types of insurance coverage, where practicable, shall be maintained on a system-wide basis:

Fire and Extended Coverage Insurance

Boiler and Machinery Insurance

Blanket Position (Fidelity) Bond

Money and Securities Insurance

5.2 The terms of the policies covering the risks indicated above are negotiated by the University Comptroller in accordance with policies approved by the Office of the President and the Board of Regents. Unless otherwise authorized by the Board, insurance policies shall be purchased on a competitive bid basis.

5.3 When it is necessary or advisable to cover risks on a basis that is not system-wide, insurance policies covering such risks shall be approved by the University Comptroller on an individual basis upon recommendation by the Business Manager of the component institution affected.

5.4 At the time a loss occurs applicable to either system-wide or individual insurance policies, the University Comptroller shall be notified by the appropriate Business Manager and

shall approve all loss claims and settlements. Any settlement of \$10,000 and under \$10,000 shall be approved by the President as well as Comptroller, and shall be reported to the Board of Regents for review at the next meeting. Settlements in the amount of \$10,000 or more shall have the advance approval of the Board of Regents.

Sec. 6. Keys to Buildings, Offices, Etc.

6.1 Keys to buildings, offices and other facilities shall be issued to the employee upon authorization by his chairman or administrative official. The Director of Physical Plant, or some other authorized person, shall have immediate responsibility for handling keys and he shall issue instructions and outline procedures as approved by the business offices and the institutional heads.

6.2 A deposit is usually required for keys which sum is in turn deposited in the business office or auditor's office. Department heads shall cooperate in requiring that keys be turned in at the termination of employment. Where a deposit has been required, refund is made to the employee upon turning in the keys.

Sec. 7. Safe and Vault Combination. The combination to all vaults and safes

used by the University are filed under seal with the institutional business officer or other authorized person designated by the institutional head.

Sec. 8. Watchmen and Security Officers.

8.1 Watchmen and other security officers are employed at the component institutions to protect and safeguard the property of the University.

8.2 At the Main University, the watchmen shall carry clocks which shall be punched periodically each night during the course of their rounds. They shall be assigned specific buildings, with the supervisor cruising by car and checking on outlying buildings and grounds. The watchmen shall check for hazards of all kinds: fire, theft, vandalism, open doors and windows after hours, etc.

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

Sec. 9. Telephones. The Director of Physical Plant or the institutional business officer, shall be responsible for the installation of telephones and the administration of all telephone facilities. University telephones shall not be charged for personal toll calls. Charges for telephones and toll calls shall be under the supervision of the persons named above.

Sec. 10. Disposal of University Property.

10.1 Whenever any item of departmental equipment or other University 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 institutional Business Manager. Upon receipt of such report, it shall be the responsibility of the Business Manager 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.

10.2 If the Business Manager 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.

10.3 For items of little value or limited use where sale on competitive bids is not practicable, the Business Manager shall have the authority to dispose of the property on the basis of a negotiated bid in amounts under \$500.00.

10.4 Sale of property estimated to bring \$500.00 or more shall be made on a basis of competitive bids.

10.5 Sales in amount of \$1,000.00 or more shall be approved in advance by the Board of Regents.

Sec. 11. Transfer of Property. Property may be transferred from one State agency to another when it becomes surplus. The purchasing agents [✓] ~~insert~~ the following sentence between the first and second sentences of this section: "Such transfers from one component institution to another, or from a component institution to another state agency, shall have the advance approval of the institutional Business Managers concerned and shall be reported to the executive heads."

Sec. 12. Certain Special Provisions in Certain Acts

The rules and regulations of the Board of Regents are subject to and shall comply with the provisions appearing in the current appropriation bill, including the following:

12.1 Prohibition Against Additional Museums. "None of the moneys appropriated in this Article, except bequests and gifts, may be used for establishing additional museums or for the maintenance and operation of museums unless the language of this Act or of other acts and resolutions of the Legislature specifically authorizes such use of appropriated funds."

12.2 TV Stations Prohibited. "None of the moneys appropriated in this Article may be expended for the acquisition, construction, or operation of television transmitter station; provided, however, this prohibition shall not be construed so as to prevent the medical schools, dental school, general academic teaching institutions or other agencies of Higher Education named in this Article from using closed-circuit television for purely instructional purposes."

- 12.3 Parking Lots. "It is the intent of this Legislature that no educational and general funds whether from General Revenue Fund or from local sources as appropriated by this Act shall be used for the purpose of constructing, maintaining, or operating parking lots. It is the further intent that such facilities shall be constructed, maintained and operated from fees charged to those using such facilities."
- 12.4 Presidents' Homes. "No funds appropriated by this Act may be used for the purpose of constructing a home for a president of any of the general academic teaching institutions named herein, without obtaining the approval of the Governor after the advice and consent of the Legislative Budget Board prior to obligating any funds for this purpose."
- 12.5 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."
- 12.6 Separation from State Employment. "No employee of the State shall be granted terminal annual or vacation leave subsequent to the effective date of the employee's resignation, dismissal, or separation from State employment."

Chapter VIII

PLANT IMPROVEMENTS

Sec. 1. New Construction.

- 1.1 New construction in an amount exceeding \$5,000 per project shall be approved by the Board of Regents upon recommendation of its Buildings and Grounds Committee, the President, the Comptroller, and the institutional head. It is the policy of the Board to employ a consulting architect for major new buildings and campus development plans at all component ^{institutions} ~~units~~, and to employ an associate architect for each major new building.
- 1.2 The institutional building committees shall study the physical plant needs of their respective institutions and make recommendations through administrative channels as to the priority of buildings, location of buildings, suggestions as to size, style, mechanical equipment, etc. The University Comptroller shall be ex-officio a member of all institutional building committees.
- 1.3 After the Board of Regents approves the construction of a new building and authorizes the preparation of preliminary plans, the procedures shall be as follows:
 - 1.31 The institutional head shall appoint a representative of the department or division concerned to serve as a member of the institutional building committee in planning the building.
 - 1.32 The institutional building committee shall prepare an outline of the needs of the building, with the consulting architect or his representative meeting with the group to discuss plans when necessary.
 - 1.33 The consulting architect shall prepare preliminary studies, including plans, elevation, exterior design, outline specifications, cost estimates, etc.
 - 1.34 Preliminary plans and estimates of costs recommended by the institutional building committee, the department or division

concerned, the institutional head, the Comptroller and the President shall be approved by the Board of Regents. With the advice of the consulting architect and the Comptroller, the Board of Regents shall select an associate architect to prepare final plans and specifications.

- 1.35 The associate architect shall meet with the institutional building committees, the Comptroller and others, the consulting architect or his representative being present on occasion.
- 1.36 Final plans and specifications, recommended by the Buildings and Grounds Committee, the institutional building committees, the department or division concerned, the consulting architect, the institutional head, Comptroller, and the President, shall be approved by the Board of Regents. After such approval the Board shall authorize the Comptroller to advertise for bids. Advertisements for bids for permanent improvements must, under State law, be carried for four consecutive weeks.
- 1.37 The Comptroller shall receive and open bids, with the consulting architect and associate architect and others, tabulate and study such bids, and make recommendations to the Board of Regents through their Buildings and Grounds Committee.
- 1.38 The Board of Regents shall award contracts, and the contract documents shall be prepared by the associate architect, checked and approved by the Comptroller and the University Attorney, and signed by all contractors involved and the Chairman of the Board of Regents. Work orders shall then be issued by the associate architect.
- 1.39 The Comptroller shall approve contractors' estimates, sign change orders, and provide general supervision of all new construction for the University. He shall advise the Board of Regents, through its Buildings and Grounds Committee, if developments during construction require additional funds or other decisions of the Board.

1.310 The Board of Regents shall appoint a committee from its membership and/or administrative officials to inspect the completed building and recommend final acceptance.

1.311 Final payment shall be made to the contractors only after approval of the above committee, the associate and consulting architects.

1.4 New construction which involves a total expenditure of \$5,000 or less per project may be handled at the component institution involved without the necessity for approval by the President, the Comptroller, and the Board of Regents. In each case, however, the appropriation for the project must have been approved by the Director of Physical Plant, the Business Manager, and the Executive Head of the institution involved, and the plans and specifications must be approved by the Institutional Building Committee (on buildings), the head of the department or school primarily concerned, the Director of Physical Plant and/or the Business Manager, and the Executive Head of the institution involved. This shall not include authority, however, to engage outside Architects or Engineers, as such employment must have the prior approval of the Board of Regents.

Sec. 2. Minor Repairs and Remodeling. Minor repairs and remodeling of the physical plant involving proposed expenditures of less than \$20,000 per project shall be made under the supervision of the Director of Physical Plant and/or the institutional business officer at the component institutions, with the approval of the institutional head, provided that necessary funds have been approved through proper procedure."

Sec. 3. Major Repairs and Remodeling.

Delete the present language in Section 3.1, and its subdivisions, and the present wording of Section 3.2, and substitute the following:

Section 3.1. Any repair or remodeling project of the Physical Plant involving an estimated expenditure of \$20,000 or more shall be deemed a major repair and remodeling project.

Section 3.2 Unless otherwise approved by the Board of Regents, the procedures and regulations pertaining to new construction shall apply to major repair and remodeling projects.

3.12 Recommendation to the President upon approval by the institutional head; and

3.13 The recommendation, showing the approval of the President and institutional head, shall be sent to the Comptroller to be forwarded, with his recommendation, to the Building Committee of the Board of Regents for action and recommendation to the full Board.

3.2 Expenses for such major repairs and remodeling shall not be incurred until after approval of the specific project by the Board of Regents except in emergencies when the above procedure may be waived by written authorization of the Chairman of the Board of Regents, upon recommendation of the institutional head and the President.

Sec. 4. Institutional Building Committees. At each of the component institutions there shall be a building committee.

4.1 At institutions regularly offering instruction, this committee shall be appointed from the institutional faculty by the institutional head as other faculty committees are appointed.

4.2 At other institutions, this committee shall be appointed by the institutional head as other institution-wide committees are appointed.

4.3 The composition of the several building committees shall be set forth in the Institutional Supplements ^{of each component} ~~to these Rules and~~ ~~Regulations.~~ *institution.*

4.4 The Vice-President for Developmental Services and the University Comptroller shall be ex-officio members of all institutional building committees.

4.5 Duties of institutional building committees shall be as follows:

4.51 To hold necessary hearings and to make proper investigations regarding the building needs of the particular component institutions and to report conclusions to the institutional head.

4.52 To recommend to the institutional head the priority of need and location of specific buildings, with reasons for such recommendations.

4.53 When approval by the Board of Regents is given for the construction of a particular building, to make suggestions to and through the institutional head to the University Comptroller and the Consulting Architect of the University as to style, size, function, location, mechanical equipment, and general nature of the building, so as to facilitate the preparation of tentative plans and preliminary sketches.

4.54 To work with the University Comptroller and the Consulting Architect and the associate architect until final plans and specifications for the construction of the building are prepared for presentation to the institutional head, the University Comptroller, the President and the Building Committee of the Board of Regents.

4.55 To make its reports and recommendations from time to time to the institutional head and the University Comptroller,

dent and to each member of the Buildings and Grounds Committee of the Board, with summary reports to the President.

4.6 When requested by the institutional head or the Board of Regents

(or its Building Committee) an institutional building committee shall confer directly with the Board.

4.7 The institutional building committee shall be relieved of further direct responsibility whenever a building contract is awarded, but shall be available as the building progresses for consultation as requested by the institutional head, the University Comptroller, or the consulting architect and the associate architect.

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 Main University and Texas Western College.

5.2 Under the provisions of the current appropriation bill, none of the funds arising from the issuance of bonds under the authority of Section 18, Article VII, of the Texas Constitution, may be obligated for the construction of buildings until a summary of the proposed building program showing the character and location of buildings, the number of square feet, the type of construction, and estimated cost of each proposed building has been filed with the Legislative Budget Board.

Sec. 6. Modification of Bids.

6.1 No bid shall be changed, amended, or modified by telegram or otherwise after it has been submitted or filed in response to an advertisement for bids in connection with the construction or erection of permanent improvements at The University of Texas or any of its component institutions 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 or filing of more than one separate and independent bid by any bidder.

Chapter IX

MATTERS RELATING TO THE ENDOWMENT OFFICE

Sec. 1. Certain Specific Authorizations to the Endowment Officer.

1.1 Permanent University Fund.

1.11 Authority to Effect Purchases and Sales of Securities for

the Permanent University Fund. Under the Revised Investment Program for the Permanent University Fund of The University of Texas, adopted by the Board of Regents on January 12, 1957, and as subsequently amended, the Endowment Officer of the University of Texas is empowered to effect purchases and sales of securities for the Permanent University Fund within the approved investment policies. Such transactions are subject to prior approval as to timing and specific securities to be purchased by the Staff Investment Committee, comprised of the Vice-President for Fiscal Affairs, the *the Assistant to the Endowment Officer,* Endowment Officer, ^A and the Senior Security Analyst.

(The investment policy for the Permanent University Fund follows as Section ~~2~~ ², page FR-65, in summarized form. The policy in full detail is on file in the offices of the Secretary of the Board of Regents and in the Endowment Office.)

1.12 Authority to Endorse Securities Held by the Permanent

University Fund. The Endowment Officer (or the Assistant to the Endowment Officer) and the Treasurer of the State of Texas (or the Acting Treasurer of the State of Texas) are jointly authorized and empowered to sell, assign, and transfer any and all of the bonds, stocks, notes, and other evidences of indebtedness and ownership of any description whatsoever owned by the Permanent University Fund of The University of Texas and registered in the name of "The University of Texas", "The University of Texas,

for Permanent University Fund, A State Endowment Fund, Austin, Texas", "Permanent University Fund of The University of Texas", or in any other registration required for securities purchased for the account of the Permanent University Fund.

1.2 Trust and Special Endowment Funds.

1.21 Authority to Effect Purchases and Sales of Securities for the Trust and Special Endowment Funds. Under the general investment policy for the various trust and special endowment funds under the control of the Board of Regents of The University of Texas as trustee, as adopted by the Board of Regents on September 21, 1946, and as amended on May 30, 1958, the Endowment Officer of The University of Texas is empowered to effect purchases and sales of securities for the trust and special endowment funds within the approved investment policy, such transactions being subject to prior approval as to timing and specific securities to be purchased and sold by the Staff Investment Committee, comprised of the Vice-President for Fiscal Affairs, the Endowment Officer, ^{the Assistant to the Endowment Officer,} and the Senior Security Analyst. (The investment policy for the trust and special endowment funds follows as Section ~~2~~³ page FR-67, in summarized form. The policy in full detail is on file in the office of the Secretary of the Board of Regents and in the Endowment Office.)

1.22 Authority to Endorse Securities Held for the Trust and Special Endowment Funds. The Endowment Officer (or the Assistant to the Endowment Officer) is authorized and empowered to sell, assign, and transfer any and all of the bonds, stocks, notes, and other evidences of indebtedness and ownership registered

in the name of "The University of Texas", "Board of Regents of The University of Texas", or in the name of any of the trust and special endowment funds coming under the control of the Board of Regents of The University of Texas as trustee or which may be assigned thereto.

1.23 Authority to Receive and Collect Money and/or Property Due the Trust and Special Endowment Funds. The Endowment Officer is designated, authorized and empowered to ask, demand, collect, recover, and receive any and all sums of money, debts, dues rights, property, effects or demands whatsoever due, payable, or belonging, or which may at any time be or become due, payable, or belonging to any of the trust and special endowment funds coming under the control of the Board of Regents of The University of Texas as trustee from any person or persons whatsoever and to execute any and all necessary or proper receipts, releases, and discharges therefor, including the execution of oil and gas division orders and transfer orders covering interests owned in trust and special endowment funds.

Sec. 2. Investment Policy for Permanent University Fund. Pursuant to the provisions of a Constitutional Amendment approved by a popular majority at the General Election on November 6, 1956, which authorized the Board of Regents of the University of Texas to invest up to 50% of the Permanent University Fund in corporate securities, the following policy in summarized form for the revised investment program for the Permanent University Fund was adopted by the Board of Regents on January 12, 1957, and as subsequently amended, has been in operation since May 7, 1957:

2.1 Purchases of securities are to be limited exclusively to corporate securities until the distribution of

the fund is as follows, the percentages to be based on book value, that is, cost or amortized cost, of all securities purchased:

Government Bonds (United States, State of Texas, and Texas Municipal).....50%
Corporate bonds (including rail equipment trust certificates) and Preferred Stocks10
Common Stocks40

Only new money coming into the Permanent University Fund and proceeds received from bond maturities will be committed to nongovernment securities until the above distribution is achieved.

2.2 To be eligible for purchase, corporate bonds and stocks must meet both the requirements of the Constitutional Amendment and the financial ratio, rating and price standards as adopted in the policy by the Board of Regents.

2.21 Any corporate bond meeting the Constitutional Amendment requirements and the policy standards may be purchased either on original offering or in the secondary market without prior approval of the Land and Investment Committee.

2.22 Corporate stocks to be eligible for purchase must be issued by corporations which have been formally approved by the Land and Investment Committee and the Board of Regents and may be purchased without prior approval of the Land and Investment Committee as to specific stocks.

2.3 Corporate securities are to be purchased on the dollar cost averaging principle, without any attempt to appraise the short-term market trend, the averaging to be based on industry groupings rather than on individual corporations.

2.4 All purchases of securities are to be subject to prior approval as to timing of the purchases and the specific securities to be

purchased by the Staff Investment Committee, comprised of the Vice-President for Fiscal Affairs, the Endowment Officer, the Assistant to the Endowment Officer, and the Senior Security Analyst.

2.5 All sales of securities are to be authorized in advance by the Land and Investment Committee and the Board of Regents, with timing of the specific sales subject to the approval of the Staff Investment Committee.

2.6 All purchases and sales of securities are to be reported at the next subsequent meeting of the Land and Investment Committee and the Board of Regents for ratification and approval. (For full details of the Constitutional Amendment requirements and policy standards, copies of the revised investment program for the Permanent University Fund may be obtained from the Endowment Office. A full copy is on file in the office of the Secretary of the Board of Regents.)

Sec. 3. Investment Policy for Trust and Special Endowment Funds. A general investment policy for the trust and special endowment funds under the control of the Board of Regents as trustee was adopted by the Board of Regents on September 21, 1946, and amended on May 30, 1958, such policy as summarized below being currently in operation:

3.1 All purchases are to be selected from the following classes of securities:

3.11 United States Government direct or guaranteed obligations;

3.12 Texas Municipal Bonds, including revenue bonds;

3.13 Corporate bonds rated "A" or better by at least one national rating service;

3.14 Preferred and common stocks which have had continuous net earnings and paid annual common stock dividends for at least ten years prior to purchase.

- 3.2 Purchases of United States direct or guaranteed obligations and of Texas Municipal and corporate bonds rated "A" or better by at least one national rating service may be purchased without prior approval of the Land and Investment Committee.
- 3.3 The approved list of corporations for purchases of common and preferred stocks for the Permanent University Fund is approved for purchases of common and preferred stocks for the trust and special endowment funds without prior approval of the Land and Investment Committee.
- 3.4 All purchases of securities are to be subject to prior approval as to timing of the purchases and the specific securities to be purchased by the Staff Investment Committee, comprised of the Vice-President for Fiscal Affairs, the Endowment Officer, the Assistant to the Endowment Officer, and the Senior Security Analyst.
- 3.5 All sales of securities are to be authorized in advance by the Land and Investment Committee and the Board of Regents.
- 3.6 All purchases and sales of securities are to be reported at the next subsequent meeting of the Land and Investment Committee and the Board of Regents for ratification and approval.
- 3.7 The Endowment Officer is empowered and authorized to manage the trust and special endowment funds and in turn is authorized to carry out the operational details involved in the purchases and sales of securities for the funds through the Securities Division of the Endowment Office.
- 3.8 The Land and Investment Committee is to review all trust and special endowment funds periodically in the light of the size and purpose of each fund and the investment provisions of the instrument establishing the fund. (For full details of the investment policy for trust and special endowment funds, copies of the policy may be obtained from the Endowment Office. A full copy is on file in the office of the Secretary of the Board of Regents.)

Sec. 4. Investment Policy for Funds Grouped for Investment.

4.1 A common trust fund, known as "Funds Grouped for Investment," was established by the Board of Regents on February 27, 1948, and amended on July 9, 1948, and is currently in operation for trust and special endowment funds under the control of the Board of Regents as trustee where the size of the fund suggests commingling in order to obtain proper investment diversification and a better rate of return on the endowment.

4.2 The general provisions of the policy for the "Funds Grouped for Investment" are summarized below:

4.21 No fund is to be admitted unless it is under the sole control of the Board of Regents and/or some administrative official of the University in his official capacity, and full discretion as to investments rest therein. No administrative official is to have any direction over the management of the common trust fund other than to request admittance or withdrawal of any fund under his direction except as he is authorized and empowered to manage the fund under the investment policy adopted by the Board of Regents. No fund is to be admitted which contains a specific provision against commingling or which contains restrictions prohibiting purchase of securities approved for purchase by the Board of Regents as trustee under the adopted investment policy for trust and special endowment funds.

4.22 Investments for the "Funds Grouped for Investment" are to be limited to such investments as are eligible under the investment policy for trust and special endowment funds as adopted and amended by the Board of Regents.

4.23 The Endowment Officer is empowered and authorized to manage the common trust fund within the adopted policy and in turn is authorized to carry out the operational details involved

in the purchases and sales of securities for the fund through the Securities Division of the Endowment Office. (For full details of the investment policy adopted for "Funds Grouped for Investment," copies may be obtained from the Endowment Office. A full copy is on file in the office of the Secretary of the Board of Regents.)

Chapter X

AUXILIARY ENTERPRISES

- Sec. 1. Auxiliary Enterprises are those operated primarily for service to students and staff which are expected to be self-supporting. Examples are residence halls, dining halls, student hospitals, student unions, and bookstores.
- 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 of Regents. Income of Auxiliary Enterprises is not deposited with the State Treasurer, 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 appropriation 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 of Regents, 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 institutional head, the President, and the Board of Regents.
- 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 institutional head at the institution concerned.
- Sec. 6. The money values of meals, lodging, and other services which employees are authorized to receive in lieu of additional wages or salary, are recommended to the institutional head by the Business Manager and approved by the President and the Board of Regents.

Sec. 7. Statutory Provisions Currently in Effect

Auxiliary Budgets shall comply with statutory provisions and rider provisions of current appropriations bill.

Chapter XI

RESEARCH AND TRAINING CONTRACTS, ETC.

- Sec. 1. Research and Training contracts, grants, or agreements with outside agencies shall be recommended by the institutional head, and the University Comptroller, and approved by the President or his designated representative before final ratification by the Board of Regents. Funds shall not be encumbered or expended under any such contract or grant without the approval of the President or his designated representative.
- Sec. 2. Application for research, development and training contracts and grants, whether with government agencies, or industry, or foundations or other private granting agencies, shall be initiated by the faculty member who will direct the work. However, all such applications must be approved by designated administrative officials.
- Sec. 3. Under State law, a copy of all contracts between the University and the Federal Government shall be filed with the Secretary of State except those contracts classified in the interest of national security, in which case only a statement of the research project shall be filed. "These copies and statements shall be filed with the Secretary of State through the Office of the Secretary of the Board of Regents."
- Sec. 4. If the work is to be financed by government agencies, the negotiations shall be handled with the advice and assistance of the Office of Government Sponsored Research at the Main University and by the equivalent office at the other component institutions.
- Sec. 5. Information as to overhead rates applicable to the type of contract to be entered into should be secured from the Office of the Comptroller or the Office of Government Sponsored Research if with government agencies and otherwise from the business officers.
- Sec. 6. Before final approval of any sponsored research or training contract or grant, the University Comptroller, or such person as he may delegate, shall examine and recommend approval of the proposed overhead rate therein contained. Proposals as to overhead rates on

cost-reimbursement contracts with the Army, Navy, and Air Force shall be worked out in preliminary form by the Business Manager concerned and shall be reviewed and approved by the University Comptroller before being submitted.

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Chapter I

GENERAL

Sec. 1. Gifts to the University.

- 1.1 The authority to accept gifts to the University or to any of the component institutions is vested in the Board of Regents.
- 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 institutional head to the President and by him, with recommendations, to the Board of Regents. These provisions, however, do not apply to contracts with public agencies.
- 1.3 The authority to accept gifts to a component institution is delegated to the institutional head when the gift is to a fund, foundation, or enterprise already approved by the Board of Regents or is a continuation of a series which has been previously approved by the Board. Such gifts shall be reported to the Board by the dockets of each component institution.
- 1.4 Each administrative head is empowered to accept cash gifts to The University of Texas of \$100 or less, within the policies of the Board of Regents and Legislature giving the acceptability of gifts, and to deposit such gifts to the appropriate accounts. Such gifts are to be reported to the Board of Regents either in the next regular docket or semiannually at the first Board meeting in each calendar year and the last regular Board meeting in each fiscal year at the discretion of the administrative heads of each of the component institutions.
- 1.5 Except as provided in the preceding sections, no member of any staff has the power to accept gifts of money to the University 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

promptly to the institutional head. Such gifts need not be reported to the Board.

1.6 The University will not 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.

1.7 The acceptance of gifts of real property is prohibited without prior express approval of the Legislature except for establishing scholarships, professorships, or other trust funds for educational purposes and then only on condition that such gifts must not later require legislative appropriations for maintenance, repair, or construction of buildings. (Current Appropriation Bill)

Sec. 2. Fellowships, Scholarships and Loan Funds

2.1 After gifts for fellowships, scholarships and loan funds have been accepted by the Board of Regents, 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 and he, 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 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 so far as is 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. Tuition and Other Fees.--Tuition and other fees will be fixed as prescribed or as authorized by statute, and will be set out in the institutional catalogue.

Sec. 4. Fiscal Year.--The fiscal year of the University shall be September 1 through August 31.

Chapter II

ACCOUNTING, AUDITING, REPORTING AND BUDGETARY CONTROL

Sec. 1. Types of Funds.

- 1.1 General Funds.--General Funds are those unrestricted, operating funds which are available for any purpose. They are expended in accordance with the budgets and appropriations approved by the Board of Regents. General Budget Funds balances shall not be reappropriated from one fiscal year to another unless specific approval is given the institutional head and the business officer by the President and the Board of Regents.
- 1.2 Special Activities Funds.--Special Activities Funds are general funds restricted by the University; the income and expenditures are ordinarily related to a particular department. With few exceptions, expenditures are limited to the income derived from the project. They are subject to the same restrictions as General Budget Funds although balances are automatically reappropriated at the end of each fiscal year.
- 1.3 Current Restricted Funds.--Current Restricted Funds are those received from individuals, firms, agencies, corporations, etc. or income derived from private 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 of Regents. Balances at the end of a fiscal year shall be carried forward to the succeeding year unless otherwise specified.
- 1.4 Agency Funds.--Agency Funds are funds handled through the institutional business office as the agent of the owner, after approval by the institutional head. Balances shall be carried forward from year to year unless otherwise designated.

Sec. 2. Accounting.

- 2.1 The financial accounts of the University shall be kept in accordance with the recommendations of the National Committee on the Preparation of a Manual on College and University Business

Administration, as set forth in Volume I of "College and University Business Administration" (1952) published by the American Council on Education. Where those recommendations conflict with statutes applicable to the University or to official orders of the Texas Commission on Higher Education, the latter shall be controlling.

- 2.2 All accounting records and procedures shall be subject to the approval of the institutional business officer and the University Comptroller.
- 2.3 The business office of each component institution shall be the central office for accounting control for all financial transactions of the institution. The institutional business officer shall confer with departmental and administrative officials and instruct them concerning the records of financial transactions to be kept by the departments.
- 2.4 Each departmental head shall keep an account of funds and property for which he is responsible, as detailed as necessary to supplement the business office records and to furnish accurate information on receipts, credits, expenditures, and other charges.
- 2.5 Records shall be kept for each fiscal year.
- 2.6 All expenditures must be in accordance with the approved budget.
- 2.7 Statements of departmental 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.
- 2.8 A person in each department may be designated by the department head, with the approval of the institutional head, to sign vouchers, requisitions, etc. in his absence. These designations shall expire at the end of a fiscal year, or sooner if specified, and must be renewed each year.

Sec. 3. Auditing.

- 3.1 The institutional business officer is initially responsible for the pre-audit of all business items. Financial transactions concerning the receipt, custody, and disbursement of moneys shall be pre-audited to the extent necessary under the institutional accounting procedures and system of internal control, the fiscal regulations, and statutes or laws applicable to the University.
- 3.2 The pre-audit of disbursements and other transactions shall be a part of the regular accounting procedures of the business offices. Post-audits of various units and departments shall be performed as directed by the institutional business officer or the University Comptroller.
- 3.3 Although the University Comptroller is responsible for the internal post-auditing of business transactions affecting the component institutions, this work shall be done under the supervision of the business officers of the component institutions and the Branch College Auditor.
- 3.4 The business records of accounts and other records shall be verified and authenticated within the budgets, regental actions, and statutory requirements.
- 3.5 The Branch College Auditor, under the supervision of the University Comptroller, shall be initially responsible for the post-audit of business activities at the component institutions, except the Main University. He shall conduct the audits in accordance with accepted auditing standards, including necessary tests of the records. He shall make a written report of each audit, calling attention to any transactions which may not be in accord with legal requirements, institutional accounting principles, and institutional policies and regulations.
- 3.6 The State Auditor, under State law, shall be responsible for the external audit of the University's books.

Sec. 4. Reporting.

4.1 All financial reports shall be prepared in accordance with the provisions of the statutes, official orders of Texas Commission on Higher Education, and the directives of the Board of Regents and in conformity with the Manual, "College and University Business Administration," referred to above. The forms shall be prepared by the institutional business officer and approved by the University Comptroller.

4.2 Two reports, both of which shall be prepared under the direction of the institutional business officer and the University Comptroller, shall be prepared annually by the University:

4.21 Annual Financial Report. On or before December 29, printed financial reports, set up in accordance with the forms recommended in Volume I, "College and University Business Administration" (1952) shall be filed with the Texas Commission on Higher Education. The certificate of audit of the State Auditor is to be included if his report has been completed.

4.22 Salary Payment Report.

4.221 On or before November 30 each year, an itemized schedule 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 of Regents, showing 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, and a summary of all expenditures by departments.

4.3 A monthly financial report shall be prepared by each business office and distributed to administrative officials.

4.4 Quarterly financial reports reflecting income receipts, approved budget changes, and expenditures for each component institution shall be prepared by Central Administration.

4.5 Other reports, such as the quarterly report to the Bureau of the Census, may be made from time to time as well as internal reports pertaining to estimates of income, budgets, etc., but only those considered essential to effective administration shall be requested from the institutional business office.

Sec. 5. Annual Budgets.

5.1 Annual budgets for all the component institutions shall be approved by the Board of Regents within the budget estimates of income prepared by the institutional business officer and the institutional head.

5.2 General policies for the budget preparation shall be recommended by the President to the Board of Regents and shall be followed in preparing the budgets. Instructions for details of budget preparation shall be furnished to the institutional heads by Central Administration.

5.3 The institutional head 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 institutional head and transmitted, with his recommendations, to the President for review and final recommendation to the Board.

5.4 Rules and procedures for budget administration shall be prepared by Central Administration, approved by the Board of Regents, and shall be included in the completed budgets.

Sec. 6. Biennial Budget Requests.

6.1 The University shall submit biennial budget requests as may be required to the Texas Commission on Higher Education, to the Legislative Budget Board, and to the Executive Budget Office in the form and at the time prescribed.

6.2 These requests shall be prepared in conformity with the same general procedures as outlined above for the annual budgets:

6.21 Approval of budget writing policies by the Board of Regents upon recommendation of the President.

6.22 Preparation of the budget of expenditures by the institutional head in conformity with these policies.

6.23 Approval of the finished budget by the President and the Board of Regents.

6.3 The estimates of income shall be included in the biennial budget requests prepared by the institutional business officer and the institutional head.

Chapter III

RECEIPT, CUSTODY, AND DISBURSEMENT OF MONEYS

Sec. 1. Receipts, Cash Registers, and Admission Tickets.

- 1.1 No department, division, or individual staff member is authorized to receive money in the name of the University without prior approval of the institutional business officer and institutional head.
- 1.2 An official receipt in the form prescribed by the institutional business officer shall be issued for all moneys received.
 - 1.21 Where the volume of sales justifies their use, cash registers shall be used with recording tapes listing the amount of each sale. When cash registers are not used, cash sales tickets or receipts shall include, if practical, the name of the purchaser, itemization, and price of the articles sold.
 - 1.22 Admission tickets including complimentary tickets, shall have the price of admission indicated thereon, and all such tickets shall be pre-numbered, 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 all receipts from such sales shall be deposited in the business office as outlined later.
 - 1.23 A list showing the names of all persons receiving complimentary tickets shall be furnished the business office as a part of the prescribed ticket report.

Sec. 2. Deposits with Institutional Business Office.

- 2.1 Money received by all departments from all sources shall be deposited in the institutional business office using an official form. The deposits shall be daily if the receipts are \$50 or more, and weekly even if the accumulation is less than \$50. When cash is included,

the deposit shall be made in person by a departmental representative to whom an official receipt is issued.

2.2 Cash overages are deposited in the business office; notations pertaining to cash over or short shall be included on the deposit form.

2.3 Petty cash funds for making change shall be provided only on approval of, and by arrangement of, the department with the institutional business officer. Petty cash funds from which disbursements will be made shall have the approval of the institutional head as well.

Sec. 3. Deposits with the State Treasurer.

3.1 The appropriation bill requires that all cash receipts at the Main University and at Texas Western College be deposited in the State Treasury with the exception of those from auxiliary enterprises, non-instructional services, student service fees, student activity fees, parking fees, agency and restricted funds, endowment funds, student loan funds and Constitutional College Building Amendment Funds.

3.11 To facilitate the transferring of institutional receipts to the State Treasury, it is provided that each institution may open a clearing account in a local depository bank to which it deposits all receipts daily.

3.12 Not less than every five days, the institutional business officer shall make remittances to the State Treasury in the form of checks drawn on the clearing account except that a balance of not more than \$500 may be maintained.

3.13 The money deposited in the State Treasury shall be paid out via State warrants.

3.2 At its option, the University may use its local depository General Funds bank accounts instead of the special clearing account within the general requirements for deposits and transfers to the State Treasury.

3.3 The University, by law, is authorized with the approval of the State

Comptroller to maintain Revolving Funds to facilitate the payment of nominal expenses - to pay bills within cash discount periods.

3.31 When authorized by the State Comptroller, the University may use the revolving fund for regular monthly payrolls as well as

for weekly and special payrolls.

3.32 Disbursements from the revolving funds are reimbursed from state appropriations on claims filed with the State Comptroller under regularly prescribed procedures. One voucher and one warrant may cover a number of claims for this purpose. Reimbursement claims must meet the same requirements as other claims against state appropriations. Each institution shall prepare a reimbursement claim as of the close of business on the last day of each month or more often as may be expedient to avoid maintaining large revolving funds.

3.33 The Board of Regents shall determine the amounts of the revolving funds and shall designate a depository bank for each such fund, specifying persons authorized to sign checks drawn on such funds. Depository banks shall secure revolving fund deposits as provided by law.

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 local depository banks for safekeeping. Requests for new depository bank accounts and for any authorized signatures to be accepted by the bank must have the approval of the University Comptroller and the President who shall notify the bank and others concerned. Depository agreements with the local banks shall be negotiated by the University Comptroller with the assistance of the institutional business office and the institutional head and shall be submitted to the President and Board of Regents for approval.

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 within five days from the date of collection. Such funds are usually carried as demand deposits; however, they may be carried as time deposits at a negotiated interest rate.

4.3 The Board of Regents and the institutional heads 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.

Sec. 5. Charge Sales.--The University is not allowed, by law, to sell property or service on credit.

Sec. 6 Sales to Staff Members.--Sales of University property may be made to staff members only after authorization by the Board of Regents through docket approval.

Sec. 7. Vouchers for Expenditures.

7.1 Main University Vouchers for disbursement of funds shall be prepared in the departmental offices at the Main University. They shall be signed by the head of the department, or someone recommended by him in writing and appointed by the Vice-President and Provost of the Main University, and such vouchers shall be approved by an authorized person in the auditor's office.

7.2 At the other component institutions, vouchers shall be prepared, where possible, in the business offices.

7.3 Vouchers shall be prepared on State of Texas Purchase Voucher Form, P-1, consisting of five copies as follows:

- No. 1. For State Comptroller (if paid from State funds)
- No. 2. For Board of Control (if purchased through Board of Control)
- No. 3. For Institutional Business Office
- No. 4. For Institutional Department (file copy)
- No. 5. For return with check to vendor (sent by business office with payment)

7.4 Vouchers are to be coded in the business offices within the approved expenditure codes and, if payable by warrant from the State Treasurer, with the proper expenditure classifications furnished by the State Comptroller.

7.5 If two or more invoices from the same vendor and chargeable to the

same account are to be paid, payment may be by one voucher, even though covered by more than one requisition and/or purchase order except:

7.51 Separate vouchers shall be prepared for contract and non-contract invoices on purchases through the Board of Control.

7.52 Separate vouchers shall be prepared for invoices for purchases made through the Purchasing Division and Printing Division of the Board of Control.

7.6 Cash discounts and credits shall be shown in full on the vouchers and shall include the amount and number of the invoice, less discount or other credits, and the net amount. Explanations shall be made for all deductions.

7.7 A red "Rush - Discount" tag shall be attached to the face of the voucher and, in such cases, they shall be handled separately from other vouchers in the business office.

Sec. 8. Vouchers Payable from State Funds.

8.1 When materials, supplies, and other items are purchased through the Board of Control, four copies of the Voucher Form are submitted to the business office and Copy No. 1 (or the attached invoice) must be notarized if the amount is more than \$50.

8.2 If the amount is \$50 or less, either a notarization or a signed certification is required. The certification, if used, must read as follows:

I certify under the penalty of perjury that this claim has been examined by me and to the best of my knowledge and belief is true and correct.

8.3 When purchases are not made through the Board of Control, all copies excepting Nos. 2 and 4 are submitted and Copy No. 1 (or the attached invoice) must be notarized or a certification made as indicated in the preceding paragraph.

Sec. 9. Vouchers Payable from Local Funds.

- 9.1 When materials, supplies, etc. are purchased through the Board of Control, Copy No. 3 may become the original and, if so, Copy No. 1 need not be submitted unless the required notarization or certification appears thereon. Notarization or certification is required as stipulated in the preceding section entitled "Vouchers Payable from State Funds."
- 9.2 When materials are not purchased through the Board of Control, only Copies Nos. 3 and 5 need be submitted, with Copy No. 3 as the original. Notarization or certification is required.

Sec. 10. Outstanding Checks.

- 10.1 Outstanding checks shall be carried on the official accounting records for the two fiscal years following the year in which they are issued. (Example: if issued in 1953-54 they would be carried through August 31, 1956). Those still outstanding at the end of the second fiscal year after issue shall be cancelled and written off the official accounting records.
- 10.2 Each business office is expected to make diligent effort to minimize the number of such outstanding checks, particularly those in excess of \$10.

Sec. 11. Institutional Membership Dues.--University funds shall be used to pay membership fees only in educational, scientific or other associations of which the University is an institutional member, with the memberships approved by the institutional heads.

Sec. 12. Payrolls.

- 12.1 There are three general types of payrolls, those for (1) regular salaried employees; (2) weekly salaried employees; and (3) hourly salaried employees.
- 12.2 At the Main University payrolls for all regular salaried employees, except those for Auxiliary Enterprises, shall be prepared in the Payroll Division of the Auditor's office.

- 12.21 Vouchers and payrolls for weekly and hourly employees, and regular salaried employees in Auxiliary Enterprises, shall be prepared in triplicate on proper forms by the department concerned. They shall be approved by the head of the department, or someone authorized to sign for him, and shall include the name of the payee, accurate calculations of pay, as well as the account to which charge is made.
- 12.22 Those covered by Workmen's Compensation Insurance shall be so indicated.
- 12.23 Two copies shall be transmitted to the Payroll Division for processing.
- 12.3 At the other component institutions, all payrolls shall be prepared in the business office from regular budgets, appointment forms and letters, time cards, etc.
- 12.4 If payment for regular salaried employees is for less than a month, the salary shall be figured proportionately on the actual number of days in a given month, e. g., 28, 30, 31.
- 12.5 Deductions for income tax, teacher and employees retirement, and social security are made where applicable on all payrolls. At some institutions, hospitalization insurance is also deducted if approved by the Board of Regents.
- 12.6 Dates for distribution of salary checks vary at the component institutions and are announced by the business office.

Sec. 13. Absence from Usual and Regular Duties, Authorization for Absence, Including Travel, and Travel Expense Reimbursement.

13.1 Absence from Usual and Regular Duties

13.11 Authorization for any member of a faculty or staff of the University to be absent from his usual and regular duties will be granted only under the following conditions:

13.111 When such absence is on state business, which shall include,

among other purposes, the formal presentation of original researches
by an employee before a national, regional, or state learned society,
and

13.112 When appropriate provisions are made to carry on the duties of the
absent person without additional expense to the University.

13.2 Authorization for Absence for Staff Members Whose Regular Duty Does Not Require

Travel. Authorization for absence from usual and regular duties, including travel
from the city or town where the University officer or employee is regularly stationed,
will be granted by the Board of Regents, or by the Administrative Officer to whom the
Board may delegate authority, only by advance permission obtained as follows:

13.21 Request for permission to be absent for a period not in excess of one week
(7 calendar days) shall be transmitted through the proper administrative
channels to the executive head of the component institution for approval.
At the Main University, request for such absence, including travel on
official business without expense to the University, shall be transmitted,
with reasons therefor, through the departmental chairman or administrative
superior to the appropriate dean or equivalent administrative officer for
approval; but if reimbursement for travel is involved, the approval of the
Vice-President and Provost is required.

13.22 Request for permission to be absent for a period in excess of one week but
not in excess of two weeks, including travel on official business, shall
be transmitted through proper administrative channels to the President of
the University for approval prior to such absence.

13.23 Request for permission to be absent for a period in excess of two weeks,
including travel on official business, shall be transmitted through proper
administrative channels to the President of the University and to the
Board of Regents or the Executive Committee of the Board for approval
prior to such absence.

13.24 Request for permission to be absent, by the administrative officers and staff
of Central Administration shall be approved by the President,
and in the case of the approval of an absence of staff members for a period
not in excess of one week may be referred to the Vice-President in whose area

staff member is employed.

- 13.25 Any travel which contemplates reimbursement from funds appropriated by the Legislature for travel expenses incurred outside the continental limits of the United States must have the written approval of the President of the University and the Governor prior to the travel, in addition to the authorizations required in the appropriate preceding subdivisions.
- 13.26 In lieu of any of the delegations of authority to approve absence from usual and regular duties, including official travel, specified in the above subdivisions, the President of the University may exercise such authority.
- 13.27 The chief administrative officers of the component institutions shall keep records of all approved absences and shall submit detailed summaries periodically to the President for distribution to the Board of Regents.

13.3 Approval of Travel Expense Reimbursements

- 13.31 Travel expenses shall be reimbursed only from funds appropriated or authorized for travel. Heads of component institutions shall plan the travel of all employees under their authority to achieve maximum economy and efficiency.
- 13.32 Travel vouchers for reimbursement of all official travel authorized pursuant to the foregoing provisions shall be approved and signed as follows:
- 13.321 Central Administration -- Reimbursement for all travel shall be approved either by the President of The University of Texas or by the Auditor or Assistant Auditor of the Main University.
- 13.322 Component Institutions -- Reimbursement for all travel by employees of the component institutions shall be approved either by the President of The University of Texas or by the administrative officers designated below:
- Main University - the Vice-President and Provost, Auditor, or Assistant Auditor.
- Texas Western College - the President of Texas Western College or the Business Manager.
- Medical Branch, Galveston - Executive Director or the Business Manager.
- Southwestern Medical School - the Dean or Business Manager.

Dental Branch - the Dean or the Business Manager.

M. D. Anderson Hospital and Tumor Institute - Director or the Administrator.

Postgraduate School of Medicine - Dean or the Business Manager.

13.33 Per Diem Allowances - Travel Status for Continuous Period of Twenty-Four (24) Hours or More - An employee who is traveling on official University business and is in continuous travel for a period of twenty-four (24) hours or more will be reimbursed at per diem rates, in lieu of actual expenses for meals and lodging in accordance with the following:

	<u>Rates</u>	
	<u>In State</u>	<u>Out of State</u>
Per Diem per calendar day	\$ 9.00	\$ 15.00
One fourth ($\frac{1}{4}$) the rate for a calendar day for each period of six (6) hours or fraction thereof	2.25	3.75

13.34 Partial Per Diem for Meals and Lodging.

13.341 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, as follows:

- 13.3411 Breakfast allowance if the employee departs from designated headquarters before 7:00 A.M. (or, in case of his return to designated headquarters after 7:00 A.M.) \$1.00
- 13.3412 Lunch allowance if the employee is away from his designated headquarters after 1:00 P.M. \$1.00
- 13.3413 Dinner allowance if the employee is away from his designated headquarters after 7:00 P.M. \$2.00

13.342 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 involve over-night stay will be reimbursed for meals and lodging in an amount not in excess of \$9.00 at the rate

of \$2.25 for each six (6) hour period involved or fraction thereof.

13.35 Per Diem Allowances - Travel Status for a Continuous Period of Less Than Six (6) Hours -- No partial per diem or actual expenses (except transportation) will be paid an employee who is away from designated headquarters for a period of less than six hours.

13.36 Day Defined for Per Diem Purposes --

13.361 The calendar day (midnight to midnight) is the unit for computing the per diem allowance.

13.362 For a fractional part of a day at the commencement or ending of continuous travel the six hour periods of 12:01 A.M. to 6:00 A.M., 6:01 A.M. to 12:00 Noon, 12:01 P.M. to 6:00 P.M. and 6:01 P.M. to 12:00 Midnight are each considered to be one-quarter ($\frac{1}{4}$) of a calendar day.

13.363 Computation of per diem shall be on a quarter day basis, the initial quarter to be that in which travel begins and the final quarter to be that in which travel ends.

13.364 Out-of-State travel status commences at the beginning of the next quarter after the employee in travel status crosses the state line and continues through the quarter in which the employee returns to the state line. Payments for both in-state and out-of-state per diem allowance will not be made for the same period of a calendar day.

13.37 Transportation Allowance

13.371 Public Conveyance Including Taxis:

An employee traveling by public conveyance is entitled to a transportation allowance equal to the actual cost of transportation, excluding federal tax. Receipts for such public transportation, ~~ex-~~ cluding receipts for city bus, taxi, or limousine fares in amounts of \$2.50 or less, shall be obtained and attached to the employee's expense account when submitted. A detail list of all claims for public transportation including city bus, taxi, and limousine fares

in amounts of \$2.50 or less shall be shown on Travel Expense Account under "Record of Transportation Claimed for Each Trip."

13.372 Private Conveyance:

An employee traveling by private conveyance shall be reimbursed at the rate of eight cents (8¢) per mile on the basis of the shortest practical route between points.

13.3721 Reimbursement for mileage in the State of Texas shall include the use of Farm-to-Market roads. The latest official highway map published by the State Highway department shall be the official map for use during the current biennium.

13.3722 When two or more employees travel in a single private conveyance, only one shall receive a transportation allowance, but this provision shall not preclude each traveler from receiving a per diem allowance.

13.3723 When two, three, or four officials or employees of Central Administration or of one of the component institutions of the University with the same itinerary on the same dates are required to travel on the same official state business for which travel reimbursement for mileage in a personal car is claimed, mileage reimbursement will be claimed and allowed for only one of the employees except as provided hereafter. If more than four employees attend such meeting or conference in more than one car, full mileage reimbursement shall be allowed for one car for each four employees and for any fraction in excess of a multiple of four employees. If, in any instance, it is not feasible for these officials or employees to travel in the same car, then prior official approval from the President for Central Administration, or the head of the component institution for employees of that institution shall be obtained and shall be considered as authorization and the basis for reimbursement for travel for each person authorized to use his personal car in such travel.

- 13.38 Reimbursement for Dues or Registration Fees -- Reimbursement will not be allowed for dues, registration fees, or similar expense, incurred in joining or attending any type of organizations or associations unless the membership is in the name of the State of Texas and/or The University of Texas. Reimbursement will not be allowed for the cost of meals that may be included in the registration fees. Receipts for such dues or registration fees shall be obtained and attached to the expense account. If reimbursement is claimed, vouchers shall include a statement that the membership is in the name of The University of Texas.
- 13.39 Exception to Per Diem Allowance -- Subject to the advance written approval of the President of the University, the Executive Head of each component institution may designate one assistant who shall be reimbursed for actual expenses of meals, lodging and incidental expenses not to exceed Twenty-five Dollars (\$25) per day when traveling on official business either in or out of the State. This authorization, however, shall be valid only for periods not to exceed one week in each instance. The Executive Head of the component institution authorizing such travel allowance shall file with the Comptroller of Public Accounts a written statement as to the purpose of such travel expense incurred by the employee each and every time such designation is made. Travel authorized under this exception to the per diem allowance must be specifically indicated in the required reports.
- 13.40 Special Exceptions to Foregoing General Travel Regulations -- The provisions of the foregoing general travel regulations apply to all employees and all funds but employees may elect to take advantage of the specific exceptions authorized below:
- 13.401 Contracts -- Travel allowances under research or other contracts, which are 100% reimbursable, will follow the terms of the contract, and in the absence of specifications the travel rules and regulations covering payments from Trust Funds will apply.
- 13.402 Trust Funds -- Travel allowances paid from Trust Funds, unless otherwise specified under the grant or gift, shall be on the basis of actual expenses incurred in lieu of per diem not to exceed a maximum of \$15.00 a calendar day. Expense incurred under this

provision must be itemized so as to show the amount expended each day for meals and lodgings. All public transportation expenses in excess of \$2.50 shall be supported by receipts.

13.403 Intercollegiate Athletics -- Actual expenses will be paid at no per diem limit, provided such expenditures in the amount of \$2.00 or more are supported by signed receipts.

Sec. 14. Freight and Express, Advertising, Postage and Box Rent, Telephone, Telegraph and Subscription Vouchers.

- 14.1 Vouchers for freight and express charges are, if practicable, made payable to the local agent but in the name of the transportation company. A careful check shall be made for damages or shortages and, if any, notation is made on the receipt of the transportation company before the shipments are accepted. The vendor shall be notified in writing when damages or shortages occur and a copy of the notification shall be attached to the voucher when deductions are made on the invoice. In general, charges for freight and express are made against the same accounts as those charged for the purchase of the related materials.
- 14.2 Transportation charges for purchases at delivered prices (f.o.b. destination) cannot be paid by the University. An acceptance shall, therefore, not be given the transportation company unless such charges are prepaid.
- 14.3 A copy of the advertisement, as well as the invoice and affidavit of the publisher, showing rates in conformity with State laws, shall be attached to vouchers for advertisements.
- 14.4 Vouchers for postage and postal box rent shall be made payable to the United States Postmaster. Postage stamps are available at a central supply center at most institutions. Where a postage meter is used by the institution, the use of stamps is limited.
- 14.5 Payment for telephone charges shall be handled at the Main University through the Office of the Director of Physical Plant. Inter-departmental vouchers are sent to the department being charged and all long-distance calls shall be carefully checked in the department before the vouchers are sent to the Business Office. At the other component institutions, the vouchering and checking shall be handled through the business offices. Personal long distance calls must not be paid from institutional funds.
- 14.6 An itemized statement from Western Union showing the person to whom the message was sent and person sending it is attached to the voucher

for payment.

14.7 Subscriptions to publications shall be vouchered after the first copy is received. This is noted on the voucher or invoice for payment, as well as the period covered by the subscription.

Sec. 15. Supplies and Equipment.--At most of the component institutions, stationery, office supplies and some other general supplies and equipment may be secured through an institutional supply center. Payment for such purchases shall be by inter-departmental transfer vouchers which originate in the office furnishing such materials. When supplies and equipment are purchased through the Board of Control, or are payable from local funds, the general regulations for preparation of vouchers shall be as outlined herein.

Sec. 16. Insurance on Money and Securities.--As approved by the Board of Regents, the University 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 a loss occurs the University Comptroller shall be notified by the appropriate Business Manager and shall approve all loss claims and settlements. Any settlement over \$1000 shall be approved by the President's office as well as the Comptroller, and shall be reported to the Board of Regents for ratification at the next meeting.

Sec. 17. Receipting for Payments. All statutory or rider provision requirements as to receipts for warrants in payment of salaries, wages or reimbursement of official travel expenses shall be complied with by the component institutions.

Chapter IV

PURCHASING

Sec. 1. Authority to Obligate Funds. Except for contracts signed by authorized administrative officials, the official purchasing agents shall have sole authority to obligate funds of the institution for purchases unless other arrangements are approved by the President. The University can, therefore, assume no liability for payment of obligations made except as authorized.

Sec. 2. Purchasing Ethics. All qualified, reputable bidders are given equal opportunity to submit bids on a uniform basis when competition is possible. No bidder receives special consideration or is allowed to revise his bid after the date for opening bids. Purchasing agents and their staffs shall not accept gratuities or become obligated to individuals or firms seeking business.

Sec. 3. Purchases of Supplies and Equipment.

3.1 Purchases of supplies and equipment shall be made through the official purchasing agents of the component institutions unless otherwise authorized or as listed below. Purchases shall be made through the State Board of Control, except those payable (or reimbursable) from federal funds, trust funds, and auxiliary enterprise funds which shall be made direct if it is in the interest of the institution to do so. Such direct purchases shall be made through the official purchasing agents of the component institutions in the usual manner unless specific authorization to do otherwise is granted by the head of the institution.

3.2 An "Awards Book" of contracts entered into for supplies and equipment is published by the State Board of Control. Copies of this book, or

information from it, can be secured from the purchasing agents, who also render assistance in securing bids as well as in preparing and processing requisitions.

Sec. 4. Contacts with the State Board of Control. All contacts, whether oral or written, with the State Board of Control and with vendors are handled through the official purchasing agents unless advance written authorization is obtained from them or the business officers for other persons to do so.

Sec. 5. Requisitions.

5.1 Separate requisitions shall be made for:

5.11 State contract items purchased through the Printing Division of the State Board of Control;

5.12 State contract items purchased through the Purchasing Division of the State Board of Control; and

5.13 Items to be purchased in the open market by competitive bids, or otherwise.

5.2 Requisitions for supplies and equipment shall be prepared on the official departmental requisition form, approved by the chairman of the department, or other administrative official, and the original forwarded to the business office or other designated office for approval as to availability of funds and to the official purchasing agent for approval of the purchase. Requisitions shall show an actual or estimated cost and shall be numbered consecutively. Separate requisitions shall be made for purchases on the open market for each class of items, such as hardware, electrical supplies, chemical supplies, etc. The department shall be furnished a copy of each purchase order issued against its funds by the purchasing agents.

5.3 Requisitions shall not be required for perishable items, automobile repairs which include both material and labor, and service charges which include only labor. However, vouchers payable from State funds for perishable items, or automobile repairs including material must be approved by the State Board of Control.

Sec. 6. Requisitions for Space Leases.

6.1 Space leases involving buildings must, by law, be approved by the State Board of Control and may not extend beyond the current biennium.

6.2 A requisition shall be submitted to the purchasing agent and the lease completed prior to occupancy of any space for office, storage or other purposes. The requisition must show:

6.21 Type of space and purpose of its use;

6.22 Approximate number of square feet;

6.23 Location;

6.24 Whether janitor service and/or utilities will be furnished by the lessor;

6.25 Period of the lease; and

6.26 Any other requirements.

Proposals for space leases require approval by the President and the Board of Regents and lease contracts shall be approved and signed by the University Comptroller.

Sec. 7. Rental of Machines and Equipment. Requisitions for rental of all machines and equipment are required, by law, to be approved by the State Board of Control prior to the beginning of the rental period. They are submitted through the purchasing agents and payment of the rentals shall be made only after approval of the requisitions by the Board of Control. Also, see section 11, of this Chapter.

Sec. 8. Purchase of Air Conditioning Equipment. It is the policy of the Board of Regents that expenditures for purchase of any new or additional air conditioning equipment must be approved in advance by the Board or the President on recommendation of the executive head of the component institution. Because the installation or replacement of air conditioning equipment frequently involves special electrical installations, departments shall secure the approval, in writing, of the Director of Physical Plant and/or the Business Officer before initiating a request for such equipment. When departmental funds are the source of the original purchase, installation costs, as well as maintenance and repair costs, shall be paid from departmental budgets.

Sec. 9. Purchase of Stationery, Office Supplies, Stenographic Services, Mimeograph and Multilith Work, Printing, Books, Periodicals, and Magazine Subscriptions.

9.1 Stationery, office supplies, stenographic services, mimeograph and multilith work shall be purchased by departments and administrative offices from the Stenographic Bureau at the Main University or from a central source of supply at the other component institutions. The department, in writing, shall authorize certain persons to make such purchases.

9.2 Printing at the Main University is usually purchased from the University Printing Division, and at the other component institutions purchases are made as designated by the business officer.

9.3 Books, periodicals and magazine subscriptions, if payable from general budget funds, shall be purchased at the Main University through the University Library by the use of a book order card. Purchases from other funds at the Main University and purchases at the other component institutions, shall be made by requisition through the purchasing agents.

Sec. 10. Purchases from Employees. Purchases are not permitted from any officer or employee of the University unless the cost is less than

that from any other known source and until approved by the institutional heads, the President, and the Board of Regents. Details of such transactions shall be reported in the dockets or Minutes of the Board.

Sec. 11. Purchase or Rental of Certain Typewriters. In accordance with the current appropriation bill purchase or rental of executive and/or proportional spacing typewriters is not permitted unless the head of the department makes an affidavit attached to the requisition for the purchase that the use of such typewriter shall be more economical than purchasing printed matter and such typewriter shall be in continuous use for at least six (6) hours a day. Also, see Section 7 of this Chapter.

Chapter V

PERSONNEL

Sec. 1. Classified Personnel. The Policy of the Board of Regents on the Development and Coordination of the Classified Personnel Programs.

This policy covers:

- 1.1 The development and operation of the Branch Personnel Program as defined in the duties of the Branch Personnel Officer. This extends to:
 - 1.11 The administration of the Classified Personnel Program in his institution. The Director shall:
 - 1.111 Know the objectives and all of the details of the program.
 - 1.112 Assume responsibility for recommending all changes in the written program to his chief executive officer.
 - 1.113 Interpret the personnel program to his institution-- administration, supervisors, and employees.
 - 1.12 The classification plan. The Director shall:
 - 1.121 Recommend all changes in any existing job classification or the creation of any new job classification.
 - 1.122 Write all class specifications.
 - 1.123 Allocate all jobs to the proper job classification.
 - 1.124 Assure that no person is appointed in a position in the classified service under a title not included in the Classification Plan.
 - 1.13 The Pay Plan. The Director shall:
 - 1.131 Recommend all changes in approved salary ranges together with the ranges for all new job classifications.
 - 1.132 Make salary studies to determine correctness of existing

salary ranges and to substantiate recommendations for new ranges or changes in existing ranges.

1.133 Assure that no appointment and/or change of salary is made which is:

1.1331 Below the minimum salary for the class range (except for a "Trainee").

1.1332 Above the maximum salary for the class range.

1.1333 Not on a regular step (or fraction thereof if part time).

1.14 The policies and rules. The Director shall:

1.141 Provide a uniform interpretation of the institution's personnel policy.

1.142 Advise his chief executive officer of any violation or abuse of this policy.

1.143 Recommend any necessary change in the written Policies and Rules.

1.15 Personnel transaction. The Director shall:

1.151 Approve all budget recommendations, appointments, changes of status, military leaves, leaves without pay, separations or other personnel transactions involving classified employees prior to final consideration by his chief executive officer to assure conformity with all provisions of the Classified Personnel Program.

1.152 Call to the attention of his chief executive officer in writing any violation of the program which may be approved outside the channels provided above, with a copy to the President of The University of Texas.

1.16 Personnel services. The Director shall provide necessary personnel services to departments of his institution as rapidly as time and staff permit. These services should include, as a minimum, the following:

1.161 Centralized personnel records.

1.162 A program of interdepartmental promotions.

1.163 Centralized recruiting for job vacancies.

1.164 A training program.

1.165 A program of employee communication.

1.2 The development and coordination of the System-Wide Personnel Program. The following rules shall apply:

1.21 The Classification Plan.

1.211 Coverage: The Classified Service of The University of Texas System shall include all positions on the staff at the University which do not entail significant instructional responsibilities or responsibilities for the administration of instructional or research organizations. The chief executive officer of each component institution shall determine the inclusiveness of the classified service within this general definition, and shall submit upon request to the President a list of those administrative or research positions not included in the classified program.

1.212 Type of Plan: Uniform use shall be made of the "grading or Job Classification" system of job evaluation. Job specifications shall be prepared according to the Procedure for Writing Class Specifications provided by the Office of the President of The University of Texas.

1.213 Job Titles: Standardized job titles shall be used for similiar job classes common to two or more of the component institutions in order that a particular job title shall describe generally similar work. Classes unique to a component institution shall have suitable descriptive titles.

1.214 Job Code: A uniform job code entitled the Personnel Classification Code shall be used to designate job classes. This code shall be used on IBM cards to compile statistical information on classified employees.

1.22 The Pay Plan.

1.221 A uniform system of salary steps providing for an increase of five per cent, 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 uniform system for setting forth the salary ranges for each job classification shall be used in the pay plans for each institution.

1.223 Salary ranges for each job classification shall be dependent upon the competitive labor market situation for each institution, as determined by pay surveys.

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 Uniform policies shall be followed in providing vacation,

sick leave, etc., within the limitations imposed by local operating conditions.

1.24 Classified Personnel Officer.

1.241 The chief executive officer of each component institution shall designate one qualified official who shall be responsible under the chief executive officer of that institution for the development and operation of the Classified Personnel Program.

1.242 Functional direction and help on technical personnel matters shall be provided each classified personnel officer by the Office of the President of The University of Texas.

1.25 Approval of additions to and changes in the Classified Personnel Program.

1.251 Formal approval of the Classification Plan, Pay Plan, and Policies and Rules developed by each institution was obtained from the Board of Regents at the time each program was formally adopted.

1.252 Changes in the Classification Plan, Pay Plan, and Policies and Rules at each institution must be made upon the recommendation of the branch personnel officer, the chief executive officer of the institution, and the approval of the President and the Board of Regents. Such changes must have the approval of the President prior to inclusion in the Regents' Docket for the institution concerned.

1.26 Duties of the System Personnel Advisor - The System Personnel Adviser serves as a staff officer advising the President through the Vice-President for Fiscal Affairs on the Classified personnel

programs for each of the component units of the system.

1.27 Reports.

Necessary reports concerning the status and operation of the various classified personnel programs may be required by the President of The University of Texas.

Sec. 2. General Personnel.

2.1 Fidelity Bond.

2.11 As approved by the Board of Regents, the University shall carry a blanket position (fidelity) bond which shall cover employees of all component institutions. There shall be coverage of \$5,000 each for all employees and certain specific excess coverage for administrative and business officials. For total coverage in excess of \$10,000, approval of the State Auditor is necessary.

2.12 The Secretary of State and the State Comptroller of Public Accounts shall be each furnished with an original of the bond. The Bond shall be issued in "triplicate originals", with one original to remain with the University Comptroller.

2.13 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.

2.14 At the time a loss occurs The University Comptroller shall be notified by the appropriate Business Manager and shall approve all loss claims and settlements. Any settlement over \$1000 shall be approved by the President's office as well as the Comptroller, and shall be reported to the Board of Regents for ratification at the next meeting.

2.2 Withholding Exemption Certificate. Every employee must execute and file with the institutional business officer an Employees' Withholding Exemption Certificate before compensation can be paid, since the United States Treasury Department, Internal Revenue Service, requires collections of Income Tax on wages at the source

The deductions for taxes withheld is authorized by State Law on payroll forms prescribed by the State Comptroller.

2.3 Leave for Military Duty.

2.31 A leave of absence not to exceed fifteen calendar 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, are engaged in field or coast defense training, parade or encampment as ordered or authorized by proper authority. During such periods, the employee is absent without loss of efficiency rating or vacation time, or salary, and is restored to the position and status he previously held when relieved from military duty.

2.32 The institutional heads may prescribe forms and procedures for such requests.

2.4 Overtime.

2.41 Classified Personnel.

2.411 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. Equivalent compensatory time off for required over-time of at least one hour or more above established work periods is given employees whose salaries are below the minimum for a full-time instructor at all institutions except the M. D. Anderson Hospital and Tumor Institute and the Southwestern Medical School where definite salary limits are set.

not to exceed

2.412 Overtime equivalent ^{not to exceed} a regular work week may be accumulated and compensatory time taken at a mutually convenient time. ^{Under exceptional circumstances} payment may be made to eligible employees on a straight time basis from the budget of

the employing department, upon approval of the appropriate administrative officials.

2.42 Faculty.

2.421 Full-time faculty members of the rank of Instructor or above are permitted to work a maximum of 10 and other hours per week additional time in government sponsored projects upon recommendation of the chairman and dean of their respective departments, schools, or colleges, and with the approval of the project director and the head of the component unit and to receive extra compensation for such work at a pro rata of their regular full-time teaching salary rate.

2.422 Part-time faculty members of the rank of Instructor or above may be similarly approved for additional work in government and other sponsored projects subject to a maximum combined work load of 50 hours per week, compensation in the sponsored project to be at a pro rata of the regular full-time teaching salary rate.

2.423 With rare exceptions, full-time employees on a twelve months' salary basis shall not be permitted extra employment on government and other sponsored projects. In the event that such employment is approved, it is governed by the limitations stated above.

2.5 Student Employment.

2.51 The employment of students as Teaching Assistants and Assistants at the Main University is effected through the appropriate departmental chairman and dean in accordance with the Quantity of Work rule with notification to the Vice-President and Provost.

2.52 The employment of students as classified personnel is handled through that office; notices of work available are listed with the Student Employment Bureau.

2.53 The Quantity of Work rule provides that the combined study and work load of an employed student may not exceed sixty hours per week. In arriving at the total combined work load, each class hour of course work carried is valued at three clock hours.

2.54 Exceptions to this rule are rarely made and then shall be made only upon specific recommendation of the student's academic dean.

2.6 Patent Policy. Where no specific contract to the contrary has been approved by the Board of Regents, the following policy applies to patents obtained by University employees:

2.61 The title to the patent for a discovery or invention by a University employee shall belong to the employee subject to the following provisions:

2.611 When total net royalties, or other compensations, are less than \$1,000, no payment to the University is required.

2.612 When net royalties, or other compensations, amount to more than \$1,000 but less than \$5,000, 10% of the excess of such royalties or other compensations over \$1,000 shall be paid to the University.

2.613 When net royalties, or other compensations, amount to more than \$5,000, the royalty or other compensation paid the University will be 10% on the amount above \$1,000, but less than \$5,000, and 20% on all amounts

of \$5,000 or more.

2.614 Where contributions have been made to research projects by private donors, non-exclusive licenses on all inventions or discoveries resulting from such research may be issued on a reasonable basis without discrimination in favor of or against those making contributions in aid of the research.

Sec. 3. Other Regulations Concerning Personnel are Reported in Rules and Regulations of the Board of Regents, Part I, as follows:

Affidavit - Chapter III, Sec. 1.6, page 19.

Political Aid and Legislative Influence - Chapter III, Sec. 1.7, page 20.

Physical Examination - Chapter III, Sec. 1.8, page 21.

Employment of Aliens - Chapter III, Sec. 3, page 21.

Indebtedness to the University or the State - Chapter III, Sec. 27, page 38.

Appointment of Relatives (Nepotism Rule) - Chapter III, Sec. 5, page 23.

Holidays - Chapter III, Sec. 14, page 33.

Vacation - Chapter III, Sec. 15, page 33.

Sick Leave - Chapter III, Sec. 18, page 34.

Leave for Jury Duty - Chapter III, Sec. 19, page 35.

Leaves of Absence Without Pay - Chapter III, Sec. 16, page 34.

Absence from Usual and Regular Duties - Chapter III, Sec. 20, page 35.

Office Hours - Chapter III, Sec. 12, page 32.

Outside Employment - Chapter III, Sec. 13, page 32.

Acceptance of Money from Students - Chapter III, Sec. 25, page 37.

Textbooks and Other Materials Prescribed for the Use of Students - Chapter III, Sec. 23, page 36.

Institutional Employees as Students - Chapter III, Sec. 29, page 39.

Power to Authorize Expenditures out of University Funds - Chapter III, Sec. 26, page 37.

Division of Salaries for Staff Engaged in Teaching and Non-Teaching Activities - Chapter III, Sec. 17, page 34.

Compensation for Correspondence and Extension Teaching of Fulltime Staff Members - Chapter III, Sec. 22, page 35.

Classified Personnel Systems - Chapter III, Sec. 2, page 21.

Code of Ethics - Chapter III, Sec. 4, page 22.

Tenure, Promotion, and Termination of Employment - Chapter III, Sec. 6, page 25.

Modified Service - Chapter III, Sec. 30, page 39.

Chapter VI

STAFF BENEFITS

Sec. 1. Teacher Retirement System.

1.1 There are two types of members in the Teacher Retirement System:

1.11 Teacher members - employees occupying positions as teachers, clerks, administrators, supervisors and related occupations in educational institutions; and

1.12 Auxiliary employees - all other employees of educational institutions otherwise eligible, such as building attendants, carpenters, etc.

1.2 All employees of the University employed on a regular, full-time salary are required by law to participate in the Teacher Retirement System, which became effective for teacher members September 1, 1937, and for auxiliary members September 1, 1949, except persons eligible at those times who executed waivers within the period allowed by law and have not revoked such waiver if later permitted, and members of the Employees Retirement System about which information is given later.

1.3 Annual membership dues in the Teacher Retirement System are \$3 which amount is deducted from the first salary payment in a fiscal year. Members contribute six per cent of their salary up to and including \$8400 per year, with the maximum contribution of \$504 per year, which amount is deducted from the monthly salary payment. The contributions are sent monthly by the business offices to the Teacher Retirement System. Each year members receive a statement from the Teacher Retirement System, through the business offices, of their total contributions, plus accumulated interest through August 31 of the preceding year. Within the provisions of the law, the State also contributes to the member's account.

- 1.4 The annuity payable at retirement is based on the salaries earned by the member. Annuity payments for services rendered prior to September 1, 1955, are based on the average annual salary of the member during the five-year period from September 1, 1950 to August 31, 1955. Annuity payments for services rendered subsequent to August 31, 1955, are based on the actual salary earned during each year of such service, not to exceed \$8,400.00 of salary for any one year.
- 1.5 When a member leaves the employment of the public schools of Texas, he may withdraw the amount of his contribution, plus accumulated interest, upon application, or he may leave the funds at interest for not more than five out of six consecutive years during which period he pays the annual membership dues.
- 1.6 If a member dies before retirement, his beneficiary, depending upon the relationship to the member, will be entitled to death benefit payments or survivor benefit payments, whichever renders the greater advantage to the beneficiary. If there is no beneficiary with an insurable interest, payment will be limited to the accumulated contributions plus interest standing to the account of the member with the Teacher Retirement System.
- 1.7 Eligibility for retirement benefits is as follows:
- 1.71 With ten years creditable service upon reaching age 65, member is entitled to retire with full benefits based on service rendered and salary earned. A teacher member is entitled to minimum benefits of \$75.00 per month. An auxiliary employee is entitled to minimum benefits of \$50.00 per month.
- 1.72 With fifteen years creditable service upon reaching age 55, member is entitled to retire at reduced actuarial equivalent of benefit payable at age 65.
- 1.73 With twenty years creditable service upon reaching age 60, member is entitled to retire with full benefits based on service rendered and salary earned. A teacher member is entitled to minimum benefits

of \$100.00 per month. An auxiliary employee is entitled to minimum benefits of \$75.00 per month.

1.74 With 25 years creditable service upon reaching age 55 or with 30 years creditable service at any age, member is entitled to retire at reduced actuarial equivalent of benefit payable at age 60.

1.8 Creditable service consists of prior service, former membership service, and current membership service. For teacher members, prior service is that before September 1, 1937; former membership service is that rendered during the period September 1, 1937, to August 31, 1955; and current membership service is that rendered subsequent to August 31, 1955. For auxiliary employees, prior service is that rendered prior to September 1, 1949, former membership service is that rendered during the period September 1, 1949, to August 31, 1955; and current membership service is that rendered subsequent to August 31, 1955.

1.9 Information pertaining to options under which retirement benefits may be drawn and to reciprocal service between the Teacher and Employees Retirement Systems, as well as other information, may be secured from the local institutional business office, the Central Administration Office of Workmen's Compensation Insurance and Other Staff Benefits, or the Teacher Retirement System in Austin.

Sec. 2. Employees Retirement System.

2.1 There are relatively few employees of the University who are members of the Employees Retirement System since they are no longer eligible for initial membership in this system. Only those who were eligible between September 1, 1947 and August 31, 1949, and who did not waive membership as of September 1, 1947, are now members. Beginning September 1, 1949, new employees who would previously have been eligible for this plan became eligible for membership in the Teacher Retirement System as auxiliary employees.

2.2 Annual membership dues in this system are \$2 which sum is deducted from the first monthly salary payment in a fiscal year. Contributions

of employees are 4.1/2 per cent of the total salary earned, which is deducted from monthly salary payments. The University contributes an amount equal to that of employees, payable from the same source as the salary. All contributions are deposited monthly with the Employees Retirement System and by law are deposited by that agency with the State Treasurer.

2.3 Member's deposits are handled in the same way as in the Teacher Retirement System.

2.4 Provisions for membership and retirement requirements and benefits are quite similar to those for the Teacher Retirement System. Prior service in this system is all creditable service prior to September 1, 1947, and membership service that which was earned since that date.

2.5 Further details, including information pertaining to reciprocal service with Teacher Retirement System, may be secured from local institutional business office, the Central Administration Office of Workmen's Compensation Insurance and Other Staff Benefits, or the Employees Retirement System in Austin.

Sec. 3. Group Life Insurance.

3.1 The University carries a master group life insurance policy, covering all institutions, with the Aetna Life Insurance Company for a "One Year Term Plan." Premiums are payable annually, in advance, increase for each person with each year of age, and are payable entirely by the individual. The program is optional but is available only to full-time employees; new employees are notified of their eligibility by the business offices immediately after employment.

3.2 The amount of insurance available is equal to the annual salary, or nine months' salary for faculty members on that basis, to the nearest \$100, with a minimum of \$500 and a maximum of \$5,000, renewable annually by the individual. Coverage is adjusted with

salary changes, at the option of the employee at the beginning of a fiscal year, but mandatory within the limits above on February 2 of each year, the anniversary date of the policy.

- 3.3 No medical examination is required if application is made for insurance within 90 days from the date of employment. After the 90 day period, an "Evidence of Insurability" form, prepared by the company and available through the business offices, is required. No medical examination is required if this form is accepted by the company after review, but, if it is not so accepted, the applicant must have a medical examination at his expense. Coverage is usually the date the application form is accepted by the business office but is subject to the conditions indicated above.
- 3.4 Premiums are collected by the business office according to statements sent to the policyholders from that office. Premiums must be paid before January 31 each year.
- 3.5 Beneficiaries are designated by the policyholders on the application forms and may be changed during the life of the policy upon application to the business offices. Each policyholder receives a certificate issued by the company and transmitted through the business offices.
- 3.6 Policyholders who go on modified service under the Rules and Regulations of the Board of Regents may continue the policy in the amount held at the time of going on modified service or may have it reduced to conform to the modified service salary. The plan selected at that time cannot be changed later.
- 3.7 A policyholder who is less than 60 years of age and who becomes permanently and totally disabled, may receive the face amount of the policy in accordance with one of several options. There are no disability benefits after age 60.
- 3.8 Benefits at death are payable according to one of several options. Upon notification of the death of a policyholder, the business

office assists is the preparation of the required records to be sent to the company.

- 3.9 Participation in the Group Life Insurance Program automatically terminates when employment terminates unless the policyholder retires under the provisions of the Teacher Retirement System or the Employees Retirement System or unless he converts the group policy into one for regular individual life insurance. This conversion may be made, without a medical examination within 31 days of termination of employment, to any regular individual life insurance policy, except term insurance, customarily issued by the company.

Sec. 4. Group Hospitalization and Medical Benefit Plans

- 4.1 Group hospitalization and medical benefit plans may be instituted or continued at each of the component institutions subject to approval of the institutional Head, ^{the University Comptroller, th} President and ratification through the Regent's docket.

Sec. 5. Workmen's Compensation Insurance.

- 5.1 The Workmen's Compensation Insurance Program is on a university-wide, self-insuring basis, financed by setting aside not more than two per cent of the annual payroll of covered employees, and provides certain benefits for injuries sustained on the job. These benefits include payments for reasonable medical aid, hospitalization, etc.; total or partial incapacity; specific losses; and death.
- 5.2 The Director of Workmen's Compensation Insurance and Other Staff Benefits, in cooperation with other University officials, investigates accidents and injuries, and endeavors to develop, publish, and enforce safety rules and regulations. His office keeps a complete record of all injuries on the job and is responsible for reporting them to the Industrial Accident Board.

5.3 All employees whose names appear on the payrolls are eligible except:

5.31 Administrative staff, including officers of the administration;

5.32 Teaching staff, research staff, clerical and office employees and supervisory staffs unless hazardous work is required, such as handling or working in close proximity with dangerous chemicals, materials, machinery or equipment; working in a dangerous area; performing manual labor; traveling regularly; or being exposed to hazards of occupational disease; and

5.33 Persons paid on a piece work basis or any basis other than by the hour, day, week, month or year.

5.4 Eligible employees who do not wish coverage may waive all rights to the benefits at the time of appointment. However, the waiver may be revoked at any time during continuous employment and the employee covered by insurance 30 days after the application form is signed, upon taking the necessary physical examination and being certified as physical fit.

5.5 A physical examination by a designated physician is required for all persons to be covered and, before the individual's name can be placed on the payroll, the executed original of the examination form must be filed in the Workmen's Compensation Insurance and Other Staff Benefit Office. The Director furnishes a list of physicians for these examinations which is approved by the Board of Regents. A fee of \$5 is paid by the Workmen's Compensation Insurance Office for each examination. Persons who fail to pass the physical examination cannot be covered by the insurance. They may be employed only after signing a waiver of all rights.

5.6 A notice of coverage is signed by all employees who are covered, with the original filed in the Director's office before a name is

placed on the payroll. All personnel forms and payrolls include pertinent information on Workmen's Compensation Insurance by a symbol or other notation.

5.7 The percentage of the annual payroll, within the two per cent mentioned in Section 5.1 above is approved by the Board of Regents, and the amount is set aside from available appropriations other than itemized salary appropriations. Each business officer prepares and sends to the Comptroller of the University at Austin a monthly report of covered employees showing the source of their salaries and, if from local funds, enclosing a check for the amount due. The Comptroller of the University deposits these checks in a local depository bank and requests the State Comptroller to transfer the amounts due on payrolls paid from State funds to the Workmen's Compensation Insurance Fund in the State Treasury.

5.8 Physicians are designated for treatment and care of injured employees upon recommendation of the Director and approval of the President and the Board of Regents and are called for treatment when possible though other competent physicians may be authorized for treatment at the request of the employee. Emergency treatment, however, may be provided by any available physician and at any hospital, including institutional health centers or hospitals. The physician in charge chooses the hospital except as indicated for emergency treatment. The designated physician authorized to treat injured employees files a Surgeon's Report with the Director when treatment is first given. Fees for services rendered should be reasonable and fair and commensurate with services performed. They are, by law, subject to control of the Industrial Accident Board.

5.9 The supervisor of a covered employee who is injured during the course of employment, must file a complete report with the Director whether or not time is lost from work. If time is lost, a supplemental report is filed when the employee returns to work. When the time lost is over 60 days, this report is filed at the

end of each 60 day period. The same form is used if the employee is disabled later due to the original injury. In the event of death of the injured employee, the form is filed immediately.

- 5.10 The supervisor is also responsible for keeping in close touch with injured employees and their attending physicians and investigating medical attention to see that unnecessary aid and visits are avoided. He approves the statement from the physician as to services rendered although not actual charges for treatment.
- 5.11 Compensation paid is in lieu of salary and wages and the employee's name is therefore dropped from the payroll when he is unable to work after injury, and is not returned to the payroll until he is back on the job after certification by the attending physician.
- 5.12 The compensation for a covered employee injured in the course of his work is equal to 60% of the average weekly earnings for the 12 months immediately preceding injury though not more than \$35 nor less than \$9 per week. Compensation to an employee on less than a full work day basis is not more than 60% of his average weekly earning, with the same maximum of \$35. Compensation is not paid for incapacity of less than one calendar week unless incapacity continues for 28 days at which time the compensation is paid for the first seven days. Benefits may be paid for no longer than 401 weeks from date of injury for total incapacity and no longer than 300 weeks for partial incapacity for work. For specific injuries, the Director has information available on request concerning benefits for specific injuries such as the loss of a hand or an eye. In case of death, benefits are computed on the basis of 360 weeks from injury.
- 5.13 Payment for physical examinations, medical aid, hospitalization and compensation is through the Workmen's Compensation Insurance and Other Staff Benefit Office.

Sec. 6. Social Security (Old-Age and Survivors Insurance).

6.1 As an employer, the University complies with the relevant provisions of the Social Security Act. All University employees are required to participate in the Federal Social Security Program as a condition of employment.

Chapter VII

PHYSICAL PROPERTIES

Sec. 1. Except as otherwise specifically authorized, ██████████ University property 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. A Property Manager is designated at each institution.

Sec. 2. Use of Physical Facilities of the University by Outside Groups; The University of Texas as a Joint Sponsor. Use of University physical facilities, especially auditoriums, gymnasiums, and large rooms, by outside groups shall be subject to the following rules in which the "University" shall mean any component institution:

- 2.1 The University of Texas will not permit the unrestricted use by non-University groups of any of its facilities.
- 2.2 The University will not enter into joint sponsorship of any project or program that is to result in private gain for the cooperating group or groups.
- 2.3 The University, established as a public institution without regard to political or religious faith, cannot be a joint sponsor with any non-campus 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 of Regents.
- 2.4 Whenever non-University groups share in the use of University buildings it must be upon the invitation of The University of Texas and under its joint sponsorship, and with the further understanding that all the conditions governing such sponsorship are to be set by the University.

- 2.5 The University 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.
- 2.6 The University 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 University.
- 2.7 It shall be understood that the availability of the University's auditorium facilities for functions other than the institution's own activities is strictly subject to the needs and the convenience of the University, which are always to have priority in the scheduling of facilities.
- 2.8 The use of University auditoriums on Sundays will be limited to Sunday afternoons. Authorization for their use at that time will be given only for concerts or other programs appropriate to the day.
- 2.9 In the case of programs for which the University is a joint sponsor with some other 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.

Sec. 3. Inventories.

- 3.1 An actual physical inventory of University property shall be made each fiscal year in accordance with the Law enacted by the 52nd Legislature. The institutional head is responsible for forwarding through administrative channels a statement describing the method of verifying the inventory within 45 days after the inventory date set for the University.
- 3.2 Department heads are initially responsible for all University property in their care and for the taking of the inventory on the prescribed record forms. The report is prepared in the

department in triplicate, one copy being kept for departmental files and the original and one copy forwarded to the business office or other designated office.

- 3.3 Inventories as of August 31 include all equipment on hand and vouchered for payment, listed at cost plus freight. All non-consumable property valued at \$5 or more per unit is equipment subject to inventory. Items which are worn out or discarded are listed as charged off in accordance with instructions furnished.

Sec. 4. Motor Vehicles.

- 4.1 Any motor vehicles permitted under State law to be owned and operated by the University shall be used only on official University business. Each vehicle shall carry an inscription on both sides as prescribed by law.
- 4.2 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 with the office of the institutional head within ten days after use of the vehicle.
- 4.3 The operators of University-owned vehicles must hold, at their expense, an appropriate operator's license for the type of vehicle operated.
- 4.4 University-owned vehicles are subject to the compulsory inspection required by law.
- 4.5 It shall be the obligation of the Business Manager of each of the component institutions to see that all employees who are required to drive University-owned vehicles are fully informed of their personal responsibility and liability for their negligent operation.

Sec. 5. Insurance on University Property .

- 5.1 The following types of insurance coverage, where practicable, shall be maintained on a system-wide basis:

Fire and Extended Coverage Insurance

Boiler and Machinery Insurance

Blanket Position (Fidelity) Bond

Money and Securities Insurance

- 5.2 The terms of the policies covering the risks indicated above are negotiated by the University Comptroller in accordance with policies approved by the Office of the President and the Board of Regents. Whenever practicable, insurance policies shall be purchased on competitive bid basis.
- 5.3 When it is necessary or advisable to cover risks on a basis that is not system-wide, insurance policies covering such risks shall be approved by the University Comptroller on an individual basis upon recommendation by the Business Manager of the component institution affected.
- 5.4 At the time a loss occurs applicable to either system-wide or individual insurance policies, the University Comptroller shall be notified by the appropriate Business Manager and shall approve all loss claims and settlements. Any settlement over \$1000 shall be approved by the President's Office as well as the Comptroller, and shall be reported to the Board of Regents for ratification at the next meeting.

Sec. 6. Keys to Buildings, Offices, Etc.

- 6.1 Keys to buildings, offices and other facilities shall be issued to the employee upon authorization by his chairman or administrative official. The Director of Physical Plant, or some other authorized person, shall have immediate responsibility for handling keys and he shall issue instructions and outline procedures as approved by the business offices and the institutional heads.
- 6.2 A deposit is usually required for keys which sum is in turn deposited in the business office or auditor's office. Department heads shall cooperate in requiring that keys be turned in at the termination of employment. Where a deposit has been required, refund is made to the employee upon turning in the keys.

Sec. 7. Safe and Vault Combination. The combination to all vaults and safes

used by the University are filed under seal with the institutional business officer or other authorized person designated by the institutional head.

Sec. 8. Watchmen and Security Officers.

- 8.1 Watchmen and other security officers are employed at the component institutions to protect and safeguard the property of the University.
- 8.2 At the Main University, the watchmen shall carry clocks which shall be punched periodically each night during the course of their rounds. They shall be assigned specific buildings, with the supervisor cruising by car and checking on outlying buildings and grounds. The watchmen shall check for hazards of all kinds: fire, theft, vandalism, open doors and windows after hours, etc.
- 8.3 Employees will cooperate in the security program by exercising caution to safeguard the equipment and supplies in their offices.

Sec. 9. Telephones. The Director of Physical Plant or the institutional business officer, shall be responsible for the installation of telephones and the administration of all telephone facilities. University telephones shall not be charged for personal toll calls. Charges for telephones and toll calls shall be under the supervision of the persons named above.

Sec. 10. Disposal of University Property.

- 10.1 Whenever any item of departmental equipment or other University 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 institutional Business Manager. Upon receipt of such report, it shall be the responsibility of the Business Manager 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.
- 10.2 If the Business Manager 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.

10.3 For items of little value or limited use where sale on competitive bids is not practicable, the Business Manager shall have the authority to dispose of the property on the basis of a negotiated bid in amounts under \$500.00.

10.4 Sale of property estimated to bring \$500.00 or more shall be made on a basis of competitive bids.

10.5 Sales in amount of \$1,000.00 or more shall be approved in advance by the Board of Regents.

Sec. 11. Transfer of Property. Property may be transferred from one State agency to another when it becomes surplus. The purchasing agents shall advise departments and administrative offices as to the procedure to be followed in disposing of or acquiring property by this means.

Sec. 12. Certain Special Provisions in Current Appropriation Bill -

12. The rules and regulations of the Board of Regents are subject to and shall comply with the provisions appearing in the current appropriation bill, including the following:

12.1 Prohibition Against Additional Museums. "None of the moneys appropriated in this Article, except bequests and gifts, may be used for establishing additional museums or for the maintenance and operation of museums unless the language of this Act or of other acts and resolutions of the Legislature specifically authorizes such use of appropriated funds."

12.2 TV Stations Prohibited. "None of the moneys appropriated in this Article may be expended for the acquisition, construction, or operation of television transmitter station; provided, however, this prohibition shall not be construed so as to prevent the medical schools, dental school, general academic teaching institutions or other agencies of Higher Education named in this Article from using closed-circuit television for purely instructional purposes."

- 12.3 Parking Lots. "It is the intent of this Legislature that no educational and general funds whether from General Revenue Fund or from local sources as appropriated by this Act shall be used for the purpose of constructing, maintaining, or operating parking lots. It is the further intent that such facilities shall be constructed, maintained and operated from fees charged to those using such facilities."
- 12.4 Presidents' Homes. "No funds appropriated by this Act may be used for the purpose of constructing a home for a president of any of the general academic teaching institutions named herein, without obtaining the approval of the Governor after the advice and consent of the Legislative Budget Board prior to obligating any funds for this purpose."
- 12.5 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."
- 12.6 Separation from State Employment. "No employee of the State shall be granted terminal annual or vacation leave subsequent to the effective date of the employee's resignation, dismissal, or separation from State employment."

Chapter VIII

PLANT IMPROVEMENTS

Sec. 1. New Construction.

- 1.1 New construction in an amount exceeding \$5,000 per project shall be approved by the Board of Regents upon recommendation of its Buildings and Grounds Committee, the President, the Comptroller, and the institutional head. It is the policy of the Board to employ a consulting architect for major new buildings and campus development plans at all component units, and to employ an associate architect for each major new building.
- 1.2 The institutional building committees shall study the physical plant needs of their respective institutions and make recommendations through administrative channels as to the priority of buildings, location of buildings, suggestions as to size, style, mechanical equipment, etc. The University Comptroller shall be ex-officio a member of all institutional building committees.
- 1.3 After the Board of Regents approves the construction of a new building and authorizes the preparation of preliminary plans, the procedures shall be as follows:
 - 1.31 The institutional head shall appoint a representative of the department or division concerned to serve as a member of the institutional building committee in planning the building.
 - 1.32 The institutional building committee shall prepare an outline of the needs of the building, with the consulting architect or his representative meeting with the group to discuss plans when necessary.
 - 1.33 The consulting architect shall prepare preliminary studies, including plans, elevation, exterior design, outline specifications, cost estimates, etc.
 - 1.34 Preliminary plans and estimates of costs recommended by the institutional building committee, the department or division

concerned, the institutional head, the Comptroller and the President shall be approved by the Board of Regents. With the advice of the consulting architect and the Comptroller, the Board of Regents shall select an associate architect to prepare final plans and specifications.

- 1.35 The associate architect shall meet with the institutional building committees, the Comptroller and others, the consulting architect or his representative being present on occasion.
- 1.36 Final plans and specifications, recommended by the Buildings and Grounds Committee, the institutional building committees, the department or division concerned, the consulting architect, the institutional head, Comptroller, and the President, shall be approved by the Board of Regents. After such approval the Board shall authorize the Comptroller to advertise for bids. Advertisements for bids for permanent improvements must, under State law, be carried for four consecutive weeks.
- 1.37 The Comptroller shall receive and open bids, with the consulting architect and associate architect and others, tabulate and study such bids, and make recommendations to the Board of Regents through their Buildings and Grounds Committee.
- 1.38 The Board of Regents shall award contracts, and the contract documents shall be prepared by the associate architect, checked and approved by the Comptroller and the University Attorney, and signed by all contractors involved and the Chairman of the Board of Regents. Work orders shall then be issued by the associate architect.
- 1.39 The Comptroller shall approve contractors' estimates, sign change orders, and provide general supervision of all new construction for the University. He shall advise the Board of Regents, through its Buildings and Grounds Committee, if developments during construction require additional funds or other decisions of the Board.

1.310 The Board of Regents shall appoint a committee from its membership and/or administrative officials to inspect the completed building and recommend final acceptance.

1.311 Final payment shall be made to the contractors only after approval of the above committee, the associate and consulting architects.

1.4 New construction which involves a total expenditure of \$5,000 or less per project may be handled at the component institution involved without the necessity for approval by the President, the Comptroller, and the Board of Regents. In each case, however, the appropriation for the project must have been approved by the Director of Physical Plant, the Business Manager, and the Executive Head of the institution involved, and the plans and specifications must be approved by the Institutional Building Committee (on buildings), the head of the department or school primarily concerned, the Director of Physical Plant and/or the Business Manager, and the Executive Head of the institution involved. This shall not include authority, however, to engage outside Architects or Engineers, as such employment must have the prior approval of the Board of Regents.

Sec. 2. Minor Repairs and Remodeling. Minor repairs and remodeling of the physical plant involving proposed expenditures of less than \$20,000 per project shall be made under the supervision of the Director of Physical Plant and/or the institutional business officer at the component institutions, with the approval of the institutional head.

Sec. 3. Major Repairs and Remodeling.

3.1 Contemplated major repairs and remodeling of the physical plant which involve proposed expenditures of \$20,000 or more per project shall be handled as follows:

3.11 Recommendation by the Director of Physical Plant or business officer to the institutional head;

3.12 Recommendation to the President upon approval by the institutional head; and

3.13 The recommendation, showing the approval of the President and institutional head, shall be sent to the Comptroller to be forwarded, with his recommendation, to the Building Committee of the Board of Regents for action and recommendation to the full Board.

3.2 Expenses for such major repairs and remodeling shall not be incurred until after approval of the specific project by the Board of Regents except in emergencies when the above procedure may be waived by written authorization of the Chairman of the Board of Regents, upon recommendation of the institutional head and the President.

Sec. 4. Institutional Building Committees. At each of the component institutions there shall be a building committee.

4.1 At institutions regularly offering instruction, this committee shall be appointed from the institutional faculty by the institutional head as other faculty committees are appointed.

4.2 At other institutions, this committee shall be appointed by the institutional head as other institution-wide committees are appointed.

4.3 The composition of the several building committees shall be set forth in the institutional supplements to these Rules and Regulations.

4.4 The Vice-President for Developmental Services and the University Comptroller shall be ex-officio members of all institutional building committees.

4.5 Duties of institutional building committees shall be as follows:

4.51 To hold necessary hearings and to make proper investigations regarding the building needs of the particular component institutions and to report conclusions to the institutional head.

- 4.52 To recommend to the institutional head the priority of need and location of specific buildings, with reasons for such recommendations.
- 4.53 When approval by the Board of Regents is given for the construction of a particular building, to make suggestions to and through the institutional head to the University Comptroller and the Consulting Architect of the University as to style, size, function, location, mechanical equipment, and general nature of the building, so as to facilitate the preparation of tentative plans and preliminary sketches.
- 4.54 To work with the University Comptroller and the Consulting Architect and the associate architect until final plans and specifications for the construction of the building are prepared for presentation to the institutional head, the University Comptroller, the President and the Building Committee of the Board of Regents.
- 4.55 To make its reports and recommendations from time to time to the institutional head and the University Comptroller.
- 4.6 When requested by the institutional head or the Board of Regents (or its Building Committee) an institutional building committee shall confer directly with the Board.
- 4.7 The institutional building committee shall be relieved of further direct responsibility whenever a building contract is awarded, but shall be available as the building progresses for consultation as requested by the institutional head, the University Comptroller, or the consulting architect and the associate architect.

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 Main University and Texas Western College.

5.2 Under the provisions of the current appropriation bill, none of the funds arising from the issuance of bonds under the authority of Section 18, Article VII, of the Texas Constitution, may be obligated for the construction of buildings until a summary of the proposed building program showing the character and location of buildings, the number of square feet, the type of construction, and estimated cost of each proposed building has been filed with the Legislative Budget Board.

Sec. 6. Modification of Bids.

6.1 No bid shall be changed, amended, or modified by telegram or otherwise after it has been submitted or filed in response to an advertisement for bids in connection with the construction or erection of permanent improvements at The University of Texas or any of its component institutions 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 or filing of more than one separate and independent bid by any bidder.

Chapter IX

MATTERS RELATING TO THE ENDOWMENT OFFICE

Sec. 1. Certain Specific Authorizations to the Endowment Officer.

1.1 Permanent University Fund.

1.11 Authority to Effect Purchases and Sales of Securities for the Permanent University Fund. Under the Revised Investment Program for the Permanent University Fund of The University of Texas, adopted by the Board of Regents on January 12, 1957, and as subsequently amended, the Endowment Officer of The University of Texas is empowered to effect purchases and sales of securities for the Permanent University Fund within the approved investment policies. Such transactions are subject to prior approval as to timing and specific securities to be purchased by the Staff Investment Committee, comprised of the Vice-President for Fiscal Affairs, the Endowment Officer, and the Senior Security Analyst.

(The investment policy for the Permanent University Fund follows as Section 2, page FR-⁶⁵~~70~~, in summarized form. The policy in full detail is on file in the offices of the Secretary of the Board of Regents and in the Endowment Office.)

1.12 Authority to Endorse Securities Held by the Permanent University Fund. The Endowment Officer (or the Assistant to the Endowment Officer) and the Treasurer of the State of Texas (or the Acting Treasurer of the State of Texas) are jointly authorized and empowered to sell, assign, and transfer any and all of the bonds, stocks, notes, and other evidences of indebtedness and ownership of any description whatsoever owned by the Permanent University Fund of The University of Texas and registered in the name of "The University of Texas", "The University of Texas,

for Permanent University Fund, A State Endowment Fund, Austin, Texas", "Permanent University Fund of The University of Texas", or in any other registration required for securities purchased for the account of the Permanent University Fund.

1.2 Trust and Special Endowment Funds.

1.21 Authority to Effect Purchases and Sales of Securities for the Trust and Special Endowment Funds. Under the general investment policy for the various trust and special endowment funds under the control of the Board of Regents of The University of Texas as trustee, as adopted by the Board of Regents on September 21, 1946, and as amended on May 30, 1958, the Endowment Officer of The University of Texas is empowered to effect purchases and sales of securities for the trust and special endowment funds within the approved investment policy, such transactions being subject to prior approval as to timing and specific securities to be purchased and sold by the Staff Investment Committee, comprised of the Vice-President for Fiscal Affairs, the Endowment Officer, and the Senior Security Analyst.

(The investment policy for the trust and special endowment funds follows as Section 3, page FR-~~22~~⁶⁷, in summarized form. The policy in full detail is on file in the office of the Secretary of the Board of Regents and in the Endowment Office.)

1.22 Authority to Endorse Securities Held for the Trust and Special Endowment Funds. The Endowment Officer (or the Assistant to the Endowment Officer) is authorized and empowered to sell, assign, and transfer any and all of the bonds, stocks, notes, and other evidences of indebtedness and ownership registered

in the name of "The University of Texas", "Board of Regents of The University of Texas", or in the name of any of the trust and special endowment funds coming under the control of the Board of Regents of The University of Texas as trustee or which may be assigned thereto.

1.23 Authority to Receive and Collect Money and/or Property Due the Trust and Special Endowment Funds. The Endowment Officer is designated, authorized and empowered to ask, demand, collect, recover, and receive any and all sums of money, debts, dues, rights, property, effects or demands whatsoever due, payable, or belonging, or which may at any time be or become due, payable, or belonging to any of the trust and special endowment funds coming under the control of the Board of Regents of The University of Texas as trustee from any person or persons whatsoever and to execute any and all necessary or proper receipts, releases, and discharges therefor, including the execution of oil and gas division orders and transfer orders covering interests owned in trust and special endowment funds.

Sec. 2. Investment Policy for Permanent University Fund. Pursuant to the provisions of a Constitutional Amendment approved by a popular majority at the General Election on November 6, 1956, which authorized the Board of Regents of the University of Texas to invest up to 50% of the Permanent University Fund in corporate securities, the following policy in summarized form for the revised investment program for the Permanent University Fund was adopted by the Board of Regents on January 12, 1957, and as subsequently amended, has been in operation since May 7, 1957:

2.1 Purchases of securities are to be limited exclusively to corporate securities until the distribution of

the fund is as follows, the percentages to be based on book value, that is, cost or amortized cost, of all securities purchased:

Government Bonds (United States, State of Texas, and Texas Municipal).....	50%
Corporate bonds (including rail equipment trust certificates) and Preferred Stocks	10
Common Stocks	40

Only new money coming into the Permanent University Fund and proceeds received from bond maturities will be committed to nongovernment securities until the above distribution is achieved.

2.2 To be eligible for purchase, corporate bonds and stocks must meet both the requirements of the Constitutional Amendment and the financial ratio, rating and price standards as adopted in the policy by the Board of Regents.

2.21 Any corporate bond meeting the Constitutional Amendment requirements and the policy standards may be purchased either on original offering or in the secondary market without prior approval of the Land and Investment Committee.

2.22 Corporate stocks to be eligible for purchase must be issued by corporations which have been formally approved by the Land and Investment Committee and the Board of Regents and may be purchased without prior approval of the Land and Investment Committee as to specific stocks.

2.3 Corporate securities are to be purchased on the dollar^{cost}/averaging principle, without any attempt to appraise the short-term market trend, the averaging to be based on industry groupings rather than on individual corporations.

2.4 All purchases of securities are to be subject to prior approval as to timing of the purchases and the specific securities to be

purchased by the Staff Investment Committee, comprised of the Vice-President for Fiscal Affairs, the Endowment Officer, the Assistant to the Endowment Officer, and the Senior Security Analyst.

2.5 All sales of securities are to be authorized in advance by the Land and Investment Committee and the Board of Regents, with timing of the specific sales subject to the approval of the Staff Investment Committee.

2.6 All purchases and sales of securities are to be reported at the next subsequent meeting of the Land and Investment Committee and the Board of Regents for ratification and approval. (For full details of the Constitutional Amendment requirements and policy standards, copies of the revised investment program for the Permanent University Fund may be obtained from the Endowment Office. A full copy is on file in the office of the Secretary of the Board of Regents.)

Sec. 3. Investment Policy for Trust and Special Endowment Funds. A general investment policy for the trust and special endowment funds under the control of the Board of Regents as trustee was adopted by the Board of Regents on September 21, 1946, and amended on May 30, 1958, such policy as summarized below being currently in operation:

3.1 All purchases are to be selected from the following classes of securities:

3.11 United States Government direct or guaranteed obligations;

3.12 Texas Municipal Bonds, including revenue bonds;

3.13 Corporate bonds rated "A" or better by at least one national rating service;

3.14 Preferred and common stocks which have had continuous net earnings and paid annual common stock dividends for at least ten years prior to purchase.

- 3.2 Purchases of United States direct or guaranteed obligations and of Texas Municipal and corporate bonds rated "A" or better by at least one national rating service may be purchased without prior approval of the Land and Investment Committee.
- 3.3 The approved list of corporations for purchases of common and preferred stocks for the Permanent University Fund is approved for purchases of common and preferred stocks for the trust and special endowment funds without prior approval of the Land and Investment Committee.
- 3.4 All purchases of securities are to be subject to prior approval as to timing of the purchases and the specific securities to be purchased by the Staff Investment Committee, comprised of the Vice-President for Fiscal Affairs, the Endowment Officer, the Assistant to the Endowment Officer, and the Senior Security Analyst.
- 3.5 All sales of securities are to be authorized in advance by the Land and Investment Committee and the Board of Regents.
- 3.6 All purchases and sales of securities are to be reported at the next subsequent meeting of the Land and Investment Committee and the Board of Regents for ratification and approval.
- 3.7 The Endowment Officer is empowered and authorized to manage the trust and special endowment funds and in turn is authorized to carry out the operational details involved in the purchases and sales of securities for the funds through the Securities Division of the Endowment Office.
- 3.8 The Land and Investment Committee is to review all trust and special endowment funds periodically in the light of the size and purpose of each fund and the investment provisions of the instrument establishing the fund. (For full details of the investment policy for trust and special endowment funds, copies of the policy may be obtained from the Endowment Office. A full copy is on file in the office of the Secretary of the Board of Regents.)

Sec. 4. Investment Policy for Funds Grouped for Investment.

4.1 A common trust fund, known as "Funds Grouped for Investment," was established by the Board of Regents on February 27, 1948, and amended on July 9, 1948, and is currently in operation for trust and special endowment funds under the control of the Board of Regents as trustee where the size of the fund suggests commingling in order to obtain proper investment diversification and a better rate of return on the endowment.

4.2 The general provisions of the policy for the "Funds Grouped for Investment" are summarized below:

4.21 No fund is to be admitted unless it is under the sole control of the Board of Regents and/or some administrative official of the University in his official capacity and full discretion as to investments rests therein. No administrative official is to have any direction over the management of the common trust fund other than to request admittance or withdrawal of any fund under his direction except as he is authorized and empowered to manage the fund under the investment policy adopted by the Board of Regents. No fund is to be admitted which contains a specific provision against commingling or which contains restrictions prohibiting purchase of securities approved for purchase by the Board of Regents as trustee under the adopted investment policy for trust and special endowment funds.

4.22 Investments for the "Funds Grouped for Investment" are to be limited to such investments as are eligible under the investment policy for trust and special endowment funds as adopted and amended by the Board of Regents.

4.23 The Endowment Officer is empowered and authorized to manage the common trust fund within the adopted policy and in turn is authorized to carry out the operational details involved

in the purchases and sales of securities for the fund through the Securities Division of the Endowment Office. (For full details of the investment policy adopted for "Funds Grouped for Investment," copies may be obtained from the Endowment Office. A full copy is on file in the office of the Secretary of the Board of Regents.)

Chapter X

AUXILIARY ENTERPRISES

- Sec. 1. Auxiliary Enterprises are those operated primarily for service to students and staff which are expected to be self-supporting. Examples are residence halls, dining halls, student hospitals, student unions, and bookstores.
- 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 of Regents. Income of Auxiliary Enterprises is not deposited with the State Treasurer, 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 appropriation 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 of Regents, 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 institutional head, the President, and the Board of Regents.
- 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 institutional head at the institution concerned.
- Sec. 6. The money values of meals, lodging, and other services which employees are authorized to receive in lieu of additional wages or salary, are recommended to the institutional head by the Business Manager and approved by the President and the Board of Regents.

Sec. 7. Statutory Provisions Currently in Effect

Auxiliary Budgets shall comply with statutory provisions and rider provisions of current appropriations bill.

Chapter XI

RESEARCH AND TRAINING CONTRACTS, ETC.

- Sec. 1. Research^{and Training} contracts, grants, or agreements with outside agencies shall be recommended by the institutional head, and the University Comptroller, and approved by the President or his designated representative before final ratification by the Board of Regents. Funds shall not be encumbered or expended under any such contract or grant without the approval of the President or his designated representative.
- Sec. 2. Application for research, development^{and training} contracts and grants, whether with government agencies, or industry, or foundations or other private granting agencies, shall be initiated by the faculty member who will direct the work. However, all such applications must be approved by designated administrative officials.
- Sec. 3. Under State law, a copy of all contracts between the University and the Federal Government shall be filed with the Secretary of State except those contracts classified in the interest of national security, in which case only a statement of the research project shall be filed.
- Sec. 4. If the work is to be financed by government agencies, the negotiations shall be handled with the advice and assistance of the Office of Government Sponsored Research at the Main University and by the equivalent office at the other component institutions.
- Sec. 5. Information as to overhead rates applicable to the type of contract to be entered into should be secured from the Office of the Comptroller or the Office of Government Sponsored Research if with government agencies and otherwise from the business officers.
- Sec. 6. Before final approval of any government sponsored research^{or training} contract or grant the University Comptroller, or such person as he may delegate, shall examine and recommend approval of the proposed overhead rate therein contained. Proposals as to overhead rates on

cost-reimbursement contracts with the Army, Navy, and Air Force shall be worked out in preliminary form by the Business Manager concerned and shall be reviewed and approved by the University Comptroller before being submitted.