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BOARD OF REGENTS: RULES AND REGULATIONS OF THE BOARD OF REGENTS OF THE UNIVERSITY OF TEXAS SYSTEM FOR THE GOVERNMENT OF THE UNIVERSITY SYSTEM, PART TWO.-- Approval was given to the Rules and Regulations of the Board of Regents of The University of Texas System for the Government of the University System, Part Two as amended and as set out below. This revision of the Rules and Regulations will be substituted in lieu of the Rules and Regulations of the Board of Regents for the Government of The University of Texas, Part Two. This volume has been revised to conform to existing practices and procedures and to incorporate the provisions of the riders of the appropriation bill effective September 1, 1967. Such provisions that differ from previous rider provisions will not be effective until September 1, 1967.

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

PART TWO

1967

Adopted by the Board of Regents on January 23, 1960
(with amendments to July 28, 1967)

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Explanatory Statement - 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.

CHAPTER I

GENERAL

Sec. 1. Gifts to The University of Texas System

- 1.1 The authority to accept gifts to The University of Texas System or to any of the component institutions is vested in the Board of Regents of The University of Texas System.
- 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 The University of Texas at El Paso for support of the athletic program of the institution may be reported to the Board of Regents in the manner prescribed in Section 1.4 following this subsection.
- 1.4 Each institutional head is empowered to accept cash gifts to a component institution of The University of Texas System 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 University of Texas M. D. Anderson Hospital and Tumor Institute at Houston may exclude gifts of \$25 or less.

- 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 of Texas System or to any of its component institutions. Gifts to the component institutions of books or other objects of very small value and very obvious propriety, without conditions attached, may be accepted by individual members of the staffs provided these gifts are reported to the Board.
- 1.6 Neither The University of Texas System nor any of its component institutions will accept a gift for the benefit of any designated student unless the donor is exempt from Federal Income Taxes as defined by the Commissioner of Internal Revenue.
- 1.7 The acceptance of gifts of real property is prohibited without prior express approval of either the Coordinating Board, Texas College and University System or 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 of Texas System 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 any component institution of The University of Texas System, and with respect to student and faculty housing situated on premises so owned or occupied, neither The University of Texas System nor any of its component institutions will discriminate either in favor of or against any person on account of his or her race, creed, or color.

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 by the Chancellor and the Board of Regents.
- 1.2 Special Activities Funds.--Special Activities Funds are general funds restricted by The University of Texas System; 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. 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 of Texas System shall be kept as nearly as practicable 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), or subsequent edition thereof, published by the American Council on Education. Where those recommendations conflict with statutes or to regulations of the Coordinating Board, Texas College and University System or of other official state agencies, 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 Vice-Chancellor for Business Affairs, or his delegate.

- 2.3 The business office of each component institution shall be the central office for accounting control for all financial transactions of the institution. The institutional chief business officer shall confer with departmental and administrative officials and instruct them concerning the records of financial transactions to be kept by the departments, as indicated in the next subsection.
- 2.4 Each 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 chief business officer is initially responsible for the preaudit 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 of Texas System.
- 3.2 The preaudit of disbursements and other transactions shall be a part of the regular accounting procedures of the business office. Postaudits of various units and departments shall be performed as directed by the institutional chief business officer or the System Comptroller. Each institution is expected to develop, with the assistance of the System Comptroller, a strong internal audit staff to perform the basic postaudit functions and to augment the work of the System Comptroller's staff and the State Auditor.
- 3.3 The business records of accounts and other records shall be verified and authenticated within the budgets, regental actions, and statutory requirements.
- 3.4 The Systems audit staff of the System Comptroller shall review and/or conduct postaudits of business activities at the component institutions. Such audits shall be conducted in accordance with accepted auditing standards, including necessary tests of the records. Written reports will be prepared for all such audits, calling attention to transactions which may not be in accord with legal requirements, System and institutional accounting principles, policies and regulations. The Systems audit staff shall recommend corrective measures and procedures when appropriate.

- 3.5 The Systems audit staff of the System Comptroller, in addition to the above duties, shall recommend internal audit programs for use at the component institutions, and shall conduct procedural studies and make recommendations for effective, and insofar as practical, uniform systems of accounting and reporting for all component institutions of The University of Texas System.
- 3.6 The State Auditor, under State law, is responsible for the external audit of the books of The University of Texas System.

Sec. 4. Reporting.

- 4.1 All financial reports shall be prepared in accordance with the provisions of the statutes, official directives of Coordinating Board, Texas College and University System, and directives of the Board of Regents, and in conformity with the manual, "College and University Business Administration", or its successor publication as referred to above. The reports shall be prepared by the institutional chief 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 chief business officers and the Vice-Chancellor for Business Affairs, or his delegate, shall be prepared annually:
 - 4.21 Annual Financial Report.-- On or before December 29, printed financial reports, in the format recommended in Volume I, "College and University Business Administration" (1952), or its successor publication, 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 this 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 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 by component institutions, one copy for the Vice-Chancellor for Business Affairs, one copy for the Secretary to the Board of Regents, and one copy for the System Comptroller.
- 4.3 Monthly financial reports, in the form prescribed by the Vice-Chancellor for Business Affairs, or his delegate, shall be prepared by each institutional chief business officer and distributed to the institutional head, the Chancellor, the Secretary to the Board of Regents, and the System Comptroller.
- 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 may be made from time to time, such 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. Operating Budgets.

- 5.1 Operating Budgets for all the component institutions shall be approved annually by the Board of Regents within the budget estimates of income prepared by the institutional business officer and the institutional head approved by the Vice-Chancellor for Business Affairs.
- 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 heads 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.
- 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.

Sec. 6. Legislative Budget Requests.

- 6.1 Legislative budget requests, biennial or otherwise, as may be required shall be submitted to the Coordinating Board, Texas College and University System, to the Legislative Budget Board, and to the Executive Budget Office in the form and at the time prescribed.
- 6.2 These Legislative budget requests shall be prepared in conformity with the same general procedures as outlined above 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 a recommended budget of expenditures by the institutional head in conformity with these policies.
 - 6.23 Approval of the completed budget by the Chancellor and the Board of Regents.

CHAPTER III

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

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 a component institution of The University of Texas System 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 chief 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 current appropriation bill requires that all cash receipts at The University of Texas at Austin, The University of Texas at El Paso, and The University of Texas at Arlington be deposited in the State

Treasury with the exception of those from auxiliary enterprises, noninstructional services, matriculation fees collected in lieu of student activity fees, agency and restricted funds, endowment funds, student loan funds, and Constitutional College Building Amendment Funds.

- 3.11 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 Optionally, the component institutions may use local depository bank accounts instead of the special clearing accounts within the general requirements for deposits and transfers to the State Treasury.
- 3.3 Component institutions of The University of Texas System are authorized by the current appropriation bill to maintain Revolving Funds to facilitate the payment of nominal expenses and to pay bills within cash discount periods.
- 3.31 These revolving funds may be used 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 component 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.

Sec. 4. Local Institutional Funds.

- 4.1 All local income, not required to be deposited in the State Treasury, must by law be deposited in official depository banks for safekeeping.
- 4.11 Depository agreements with official depository banks shall be negotiated, as necessary, by the Vice-Chancellor for Business Affairs or his delegate with those banks approved by the Board of Regents and in accordance with the then current policies of the Board. Such depository agreements shall be submitted through the Chancellor to the Board of Regents for approval.

4.12 Requests for authorized signatures, or changes thereto, for bank accounts maintained in all depository banks, shall be forwarded to the System Comptroller, who shall refer such requests to the Chancellor for approval and notification of the banks concerned.

4.2 Depository banks selected shall furnish adequate surety bonds or securities to assure safety of these funds. Local funds shall be deposited in the depository banks as soon as possible, but in no event later than five days from the date of collection. The ratio between demand deposits and time deposits will be maintained in accordance with the current policies of the Board of Regents.

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 of Texas System is not allowed, by law, to sell property or service on credit.

Sec. 6. Sales to U. T. Employees.--Sales of surplus equipment may be made to employees of The University of Texas System or of any of its component institutions only after authorization by the Board of Regents through docket approval.

Sec. 7. Vouchers for Expenditures.

7.1 At The University of Texas at Austin, vouchers for disbursement of funds shall be prepared in the departmental offices of the institution. Such vouchers 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 the institutional chief business officer or some person to whom he may delegate such authority.

7.3 Vouchers shall be prepared on prescribed State of Texas Purchase Voucher Form adapted for institutional use.

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, the original copy of the prescribed purchase voucher form (or the attached invoice) must include a signed certification by the vendor in the form indicated below:

CERTIFICATION

I, _____, do hereby certify that I am _____
 _____, and that I am duly authorized to

(Title of person certifying)

make this certification for and on behalf of _____

(Name of payee)

_____. I further certify that the attached
 company/claimant)

invoice is correct and that it corresponds in every particular with the supplies and/or services contracted for. I further certify that the account is true, correct, and unpaid.

(Signature)

- 8.2 The State Comptroller has indicated that vouchers covering certain claims, authorized under statutes not amended by S. B. 111 and H. B. 362, 60th Legislature, will still require affidavits rather than the certification set forth above.

Sec. 9. Vouchers Payable from Local Funds (All funds not on deposit in State Treasury). Vouchers payable from local funds generally shall be subject to the same requirements as vouchers payable from funds in the State Treasury.

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 1964-65, they would be carried through August 31, 1967.) 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.

Sec. 11. Institutional Membership Dues.-- Funds of The University of Texas System may be used to pay membership fees only in educational, scientific, or other associations in which the System, or a component institution thereof, is an institutional member, with 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 University of Texas at Austin, 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 chief business officer 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, authorized health insurance, tax - sheltered annuities, and savings bonds, are made where applicable on all payrolls.
- 12.6 Dates for distribution of salary checks vary at the component institutions and will be announced by the respective business offices.

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 a component institution of The University of Texas System to be absent from his usual and regular duties will be granted only under the following conditions:
- 3.111 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, international, regional, or state learned society, and
- 3.112 When appropriate provisions are made to carry on the duties of the absent person without additional expense to the institution.
- 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 officer or employee is regularly stationed, will be granted by the Board of Regents, or by the administrative officer as hereinafter delegated by the Board, only in advance, as follows:

- 13.21 Requests for authorization to be absent for a period not in excess of two weeks (fourteen calendar days) shall be transmitted through proper administrative channels to the executive head of the component institution for approval. At The University of Texas at Austin, requests for authorization 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 authorization to be absent.
- 13.22 Requests for authorization to be absent for a period in excess of two weeks, but not in excess of twenty-nine days, including travel on official business, shall be transmitted through proper administrative channels to the Chancellor for approval prior to such absence.
- 13.23 Requests for authorization to be absent for a period in excess of twenty-nine days, (excluding holidays approved by the Board), including travel on official business, shall be transmitted through proper administrative channels to the Chancellor for approval prior to such absence. Such approvals are to be reported in the regular dockets of the institutions affected.
- 13.24 Requests for authorization 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 must have the advance written approval of the Governor, with the exception of travel to, in, and from the several states, United States possessions, Mexico, and Canada. Prior written approval of the Chancellor is required for travel expenses incurred in Canada and Mexico, in addition to the authorizations required in the preceding subsections.
- 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 subsections, the Chancellor may exercise such authority.
- 13.27 The institutional heads of the component institutions shall keep records of all approved absences which shall be available for review by the Chancellor, the Board of Regents, or other duly authorized officers of The University of Texas System.
- 13.28 Approvals of travel shall not be routine or perfunctory, but shall be made only after the institutional 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 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.
- 13.311 Each travel voucher submitted for reimbursement shall include such a description as to identify persons or places contacted and/or the nature of the official business of the State performed within the legal responsibilities of the institution.

When recruiting of faculty and staff is involved, names of persons contacted are required.

13.312 In submitting travel vouchers for payment from funds in the State Treasury, component institutions should recognize the regulations of the State Comptroller with respect to travel expense accounts, including the provision that "No travel expense account can be presented for payment until after the month in which it is incurred", and the interpretation that not more than one travel voucher is to be submitted for each month. When there is more than one trip a month by a staff member, all such trips should either be combined on the same travel voucher, or separate vouchers should be combined under a single "cover" voucher for submission to the State Comptroller.

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 or Assistant Auditor of The University of Texas at Austin.

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:

The University of Texas at Austin - the Vice-Chancellor for Academic Affairs, the Business Manager, the Auditor, or the Assistant Auditor.

The University of Texas at El Paso - the President, Vice-President, or the Business Manager.

The University of Texas Medical Branch at Galveston - the President, the Vice-Presidents for Administration or Business Affairs, or the Business Manager.

The University of Texas Southwestern Medical School at Dallas - the Dean, the Assistant Dean for Business Affairs, or the Business Manager.

The University of Texas Dental Branch at Houston - the Dean or the Business Manager.

The University of Texas M. D. Anderson Hospital and Tumor Institute at Houston - the Director, the Administrator, or the Business Manager.

The University of Texas Graduate School of Biomedical Sciences at Houston - the Dean or the Business Manager.

The University of Texas Medical School at San Antonio - the Dean or the Business Manager.

The University of Texas at Arlington - the President; the Vice-President, Fiscal Affairs; 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 travelling 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 schedule:

	Rates	
	In State	Out of State
Per diem per calendar day	\$14.00	\$17.00
One-fourth (1/4) the rate for a calendar day for each period of six (6) hours or fraction thereof (at least 2 hours)	3.50	4.25

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. In no event will the total of this partial per diem allowance exceed \$4.00 per day, and individual meal allowances will not exceed the following:

- 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.). \$1.25
- 13.3412 Lunch allowance if the employee is away from his designated headquarters after 1:00 P.M.. \$1.50
- 13.3413 Dinner allowance if the employee is away from his designated headquarters after 7:00 P.M. \$2.50

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 \$14.00 at the rate of \$3.50 for each six (6) hour period involved or fraction thereof (at least 2 hours).

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 (6) 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 (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 When both in-state and out-of-state travel occur in the same calendar day, the rate of travel allowance for all travel in that day shall be seventeen dollars (\$17.00) per diem.

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 ten cents (10¢) 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 "Shortest practical route" as indicated above shall include the use of Farm-to-Market roads in the State of Texas. The latest official highway map published by the State Highway Department shall be the official map for use in computing such mileage. 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 one of the component institutions of The University of Texas System 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 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 System or a component institution thereof. 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 System or the appropriate component institution thereof.
- 13.39 Exceptions 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. The following administrative officers of the System are authorized and directed by the Board of Regents and the Chancellor to represent The University of Texas System and its component institutions outside the boundaries of the State of Texas, and in such representation they shall receive reimbursement for the actual cost of meals, lodging and incidental expenses, not to exceed \$35.00 per day in lieu of any fixed per diem allowance:

All Vice-Chancellors
Budget Officer
Comptroller
Director, Facilities Planning and
Construction
Executive Director, Investments,
Trusts and Lands
University Attorney

In like manner, two administrative officers from each of the component institutions are authorized and directed by the Board of Regents and the Chancellor to represent their respective institutions

outside the boundaries of the State of Texas, and in such representation they shall receive reimbursement for the actual cost of meals, lodging and incidental expenses, not to exceed \$35.00 per day in lieu of any fixed per diem allowance. The administrative officers entitled to such reimbursement shall be designated in writing by the Chancellor upon recommendation of the institutional heads.

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 \$17.00 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.

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.

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 a component institution. 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 University of Texas at Austin 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 of Texas System carries a blanket System-wide policy insuring against loss of money or securities at any of the component institutions. The premium paid by each institution is separately computed and is based on the coverage applicable at each institution. At the time any loss occurs at any institution, the System Comptroller shall be notified by the appropriate institutional business officer and shall approve all loss claims and settlements. Any settlement over \$2,000 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. Money and Securities coverage may be combined with the blanket position fidelity bond. See Chapter V, Section 2.15.

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. No liability can be assumed 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 of Texas System. This Act authorizes the purchase, without approval of the Board of Control:
 - (a) Supplies, materials, services, and equipment for resale.
 - (b) Supplies, materials, services, and equipment for Auxiliary Enterprises.
 - (c) Supplies, materials, services, and equipment for Organized Activities Relating to Instructional Departments.
 - (d) Supplies, materials, services, and equipment to be paid for 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 institutional purchasing agents and divisions, departments, or offices 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 by institutional purchasing agents 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 shall 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 chief business officer 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 Purchasing Division of the State Board of Control; and
 - 5.12 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 a four-year period.
- 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 Vice-Chancellor for Business Affairs or his delegate.

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 the purchase or rental of electronic tabulating or data processing equipment and requisitions for rental of office machines or other equipment of any kind which exceed a rental cost of \$1,000.00 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 processed by 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 officers, and forwarded by the institutional heads to the Chancellor's Office for transmittal to the Governor. Requisition for rentals to become effective on September 1, should be submitted in advance of that date. Also see Section 10 of this Chapter.

Sec. 8. Purchase of Stationery, Office Supplies, Stenographic Services, Mimeograph and Multilith Work, Printing, Books, Periodicals, and Magazine Subscriptions.

- 8.1 Stationery, office supplies, stenographic services, mimeograph and multilith work shall be purchased by departments and administrative offices from the Stenographic Bureau at The University of Texas at Austin or from a central source of supply at the other component institutions. The department, in writing, shall authorize certain persons to make such purchases.
- 8.2 Printing at The University of Texas at Austin is usually purchased from the University Printing Division, and at the other component institutions purchases are made as designated by the business officer.
- 8.3 Books, periodicals, and magazine subscriptions, if payable from General Budget Funds, shall be purchased at The University of Texas at Austin through the Library by the use of a book order card. Purchases payable from departmental funds, grants, or special projects at The University of Texas at Austin, 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.
- 8.4 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. 9. Purchases from Employees.--Purchases are not permitted from any officer or employee of The University of Texas System 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. 10. 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. 11. 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. 12. 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.

CHAPTER V

PERSONNEL

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

- 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 in 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 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 of Job Classification" system of job evaluation. Job specifications shall be prepared according to the Procedure for Writing Class Specifications provided by the System Personnel Office of The University of Texas System.
 - 1.213 Job Titles.--Standardized job titles shall be used for similar job classes common to two or more of the component institutions in order that a particular job title shall describe similar work to the extent possible. Classes unique to a component institution shall have suitable descriptive titles.
 - 1.214 Job Code.--A uniform job code entitled the Personnel Classification Code shall be used to designate job classes. This code may be used on punched 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.

- 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, the System Personnel Adviser 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 System Personnel Adviser.
- 1.26 System Personnel Adviser.-- The System Personnel Adviser serves as a staff officer advising the Chancellor through the Vice-Chancellor for Business Affairs on the Classified Personnel programs, Workmen's Compensation insurance, and other staff benefits, for each of the component institutions of the system.
- 1.27 Reports.-- Necessary reports concerning the status and operation of the various Classified Personnel programs may be required by the Chancellor.

Sec. 2. General Personnel.

2.1 Fidelity Bond.

- 2.11 As approved by the Board of Regents, The University of Texas System shall carry a blanket position (fidelity) bond which shall cover employees of all component institutions. All employees shall be covered in the amount of not less than \$5,000 each. It shall be the responsibility of the System Comptroller to recommend to the Chancellor through the Vice-Chancellor for Business 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 System Comptroller. A copy of the bond shall be filed in the Office of the Secretary to 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 and the excess coverage thereon.
- 2.14 At the time a loss occurs, the System Comptroller shall be notified by the appropriate institutional business officer and shall approve all loss claims and settlements. Any settlement over \$2,000 and under \$10,000 shall be approved by the Chancellor as well as by the System 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.
- 2.15 The blanket position fidelity bond coverage may be combined with money and securities coverage. See Chapter III, Section 16.
- 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 working days in any one calendar year is granted faculty or staff members who, as members of the National Guard or Official Militia of Texas, or members of any of the Reserve Components of the Armed Forces, 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 salary rate is below \$750.00 per month at all institutions except the M. D. Anderson Hospital and Tumor Institute at Houston 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.
- 2.5 Student Employment
- 2.51 The employment of students as Teaching Assistants and Assistants at The University of Texas at Austin is effected through the appropriate departmental chairman and dean in accordance with the Quantity of Work rule.
- 2.52 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.
- 2.53 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 employees of The University of Texas System:
- 2.61 The title to the patent for a discovery or invention by an 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 of Texas System 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 of Texas System.
- 2.613 When net royalties, or other compensations, amount to more than \$5,000, the royalty or other compensation paid The University of Texas System 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."

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 26.

Political Aid and Legislative Influence - Chapter III, Sec. 1.7, page 27.

Physical Examination - Chapter III, Sec. 1.8, page 27.

Employment of Aliens - Chapter III, Sec. 3, page 28.

Indebtedness to The University of Texas System or the State - Chapter III, Sec. 28, page 40.

Appointment of Relative (Nepotism Rule) - Chapter III, Sec. 5, page 29.

Holidays - Chapter III, Sec. 14, page 35.

Vacation - Chapter III, Sec. 15, page 36.

Sick Leave - Chapter III, Sec. 19, page 37.

Leave for Jury Duty - Chapter III, Sec. 20, page 37.

Absence from Usual and Regular Duties - Chapter III, Sec. 21, page 37.

Leaves of Absence Without Pay - Chapter III, Sec. 16, page 36.

Office Hours - Chapter III, Sec. 12, page 34.

Outside Employment - Chapter III, Sec. 13, page 35.

Acceptance of Money from Students - Chapter III, Sec. 26, page 39.

Textbooks and Other Materials Prescribed for the Use of Students - Chapter III, Sec. 24, page 38.

Institutional Employees as Students - Chapter III, Sec. 30, page 40.

Power to Authorize Expenditures out of The University of Texas System Funds - Chapter III, Sec. 27, page 39.

Division of Salaries for Staff Engaged in Teaching and Non teaching Activities - Chapter III, Sec. 18, page 37.

Compensation for Correspondence and Extension Teaching of Full-time Staff Members - Chapter III, Sec. 23, page 38.

Classified Personnel Systems - Chapter III, Sec. 2, page 27.

Code of Ethics - Chapter III, Sec. 4, page 28.

Tenure, Promotion, and Termination of Employment - Chapter III,
Sec. 6, page 30.

Modified Service - Chapter III, Sec. 31, page 40.

Faculty Development Leaves - Chapter III, Sec. 17, page 37.

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 of Texas System 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 \$5, 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.
- 1.5 When a member leaves the employment of the public schools, colleges, or universities 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. The performance of a period of active military duty by a member shall not be construed as absence from service; nor shall absence from service terminate membership if the member does not withdraw his accumulated contributions and has ten (10) or more years of creditable service, regardless of age, at or before the time he ceases to be employed in the public schools, colleges or universities of Texas.
- 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 component institution business or personnel office, the System Personnel Office, or the Teacher Retirement System in Austin.

Sec. 2. Employees Retirement System.

2.1 There are relatively few employees of The University of Texas System 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 component institution 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 component institution business office or personnel office, the System Personnel Office, or the Employees Retirement System in Austin.

Sec. 3. Group Life Insurance.

- 3.1 The University of Texas System carries a master group life insurance policy, applicable to all component 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 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.

- 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.
- 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 System Personnel Adviser, the Vice-Chancellor for Business Affairs, the Chancellor, and the Board of Regents.

Sec. 5. Workmen's Compensation Insurance.

- 5.1 The Workmen's Compensation Insurance Program is on a System-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.
- 5.2 The Supervisor of Workmen's Compensation Insurance, with the cooperation and assistance of other appropriate officials of The University of Texas System or its component institutions, 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. Institutional chief business officers shall prepare and send to the System Comptroller a monthly report of covered employees showing the source of their salaries and, if from local funds, enclosing a check for the amount due. These checks will be deposited in a depository bank and the State Comptroller will be requested 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.

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

- 6.1 As an employer, The University of Texas System complies with the relevant provisions of the Social Security Act. All 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, employees of The University of Texas System may purchase 403B Tax Deferred Annuities from Texas-licensed insurance companies.
- 7.2 An employee desiring to participate in this program may enter into an agreement with his component institution and designate a portion of his monthly gross compensation to be used by the component 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 chief business officer (or his delegate) of each component institution in The University of Texas System is authorized to sign applications for annuities with the company requested by the employee. The payroll deduction method will be employed for the annuity payments and the amounts contracted for by the employees will be forwarded to each insurance company after the payroll deductions therefor.

- 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 institutional business offices or the personnel offices.

Sec. 8. Group Long Term Disability Income Insurance.

- 8.1 The University of Texas System 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 System.
- 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.
- 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 of Texas System 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 institution.

CHAPTER VII

PHYSICAL PROPERTIES

- Sec. 1. Except as otherwise specifically authorized, property of The University of Texas System shall be used only for official business. Only Library books and other items of similar nature of well-established use may be used for the personal benefit or pleasure of employees. A Property Manager is designated at each component institution.
- Sec. 2. Use Of Physical Facilities by Outside Groups; The University of Texas System as a Joint Sponsor (See, also, Section 6, Chapter VI, Part One of these Rules and Regulations). --Use of physical facilities of The University of Texas System, 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 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 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 property of The University of Texas System shall be made each fiscal year in accordance with H. B. No. 753, 52nd Legislature, as amended, and in compliance with the "Manual of Instruction - Property Inventory Procedures", issued by the State Comptroller.
- 3.2 Department heads are 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 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 \$10 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 of Texas System shall be used only on official 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 System-owned vehicles must hold, at their expense, an appropriate operator's license for the type of vehicle operated.
- 4.4 System-owned vehicles are subject to the compulsory inspection required by law.
- 4.5 It shall be the obligation of the chief business officer of each of the component institutions to see that all employees who are required to drive University-owned vehicles are fully informed of their personal responsibility and liability for their negligent operation. Under the terms of the current appropriation bill, employees whose terms of employment contemplate the "full-time use" of University-owned motor vehicles, may be reimbursed for costs incurred in purchasing any additional personal liability insurance for purpose of insuring against personal liability arising from such use.
- 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 Property of The University of Texas System.

- 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) May be in one policy
 - Money and Securities Insurance)
- 5.2 The terms of the policies covering the risks indicated above are negotiated by the Vice-Chancellor for Business Affairs or his delegate in accordance with procedures approved by the Chancellor and the Board of Regents.
- 5.3 When it is necessary or advisable to insure risks on a basis other than System-wide, insurance policies covering such risks shall be approved by the System Comptroller on an individual basis upon recommendation by the chief business officer of the component institution affected.
- 5.4 At the time a loss occurs applicable to either System-wide or individual insurance policies, the System Comptroller shall be notified by the appropriate business officer, and shall approve all loss claims and settlements. Any settlement over \$2,000 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 have immediate responsibility for handling keys and he shall issue instructions and outline procedures as approved by the business officers and the institutional heads.
- 6.2 A deposit is usually required for keys which sum is in turn deposited in the business 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 Combinations. -- The combinations to all vaults and safes used by component institutions 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 institution.
- 8.2 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 chief business officer, shall be responsible for the installation of telephones and the administration of all telephone facilities. Personal toll calls shall not be charged to institutional telephones. Charges for telephones and toll calls shall be under the supervision of the persons named above.

Sec. 10. Disposal of Property of The University of Texas System.

- 10.1 Whenever any item of equipment becomes obsolete or useless for the needs and purposes of the department concerned, a written report of such fact shall be made to the institutional chief business officer. Upon receipt of such report, it shall be the responsibility of the business officer to determine whether or not such item of equipment is needed by any other department and, if so, to transfer and assign the equipment to such department.
- 10.2 If the business officer shall determine that the equipment is not needed for any department and that it is not practicable to store the equipment for possible future use, he shall proceed to sell the item concerned.
- 10.3 For items of little value or limited use where sale on competitive bids is not practicable, the business officer shall have the authority to dispose of the property on the basis of a negotiated bid in amounts under \$1,000.00.
- 10.4 Sale of property estimated to bring \$1,000.00 or more shall be made on a basis of competitive bids.
- 10.5 Sales in amount of \$2,000.00 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 officers 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 stations; 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 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 prior to obligating any funds for this purpose; provided, however, that copies of such requests for the Governor's approval... shall be filed with the Legislative Budget Board."
- 12.4 Use of Educational and General Funds for Alumni Activities Prohibited.--"None of the funds appropriated by this Article may be expended by State agencies of higher education for the support or maintenance of alumni organizations or activities."
- 12.5 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."
- 12.6 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."

CHAPTER VIII

PHYSICAL 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 project architect for each major new building at all component institutions.
- 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 a program outlining the needs of the building, with a representative of the Office of Facilities Planning and Construction meeting with the group to discuss plans when necessary.
 - 1.33 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 submitted to the Board of Regents for approval. After approval, the Board of Regents shall then authorize the project architect to prepare final plans and specifications.
 - 1.34 The project architect in coordination with the Office of Facilities Planning and Construction shall prepare preliminary studies, including plans, elevation, exterior design, outline specifications, cost estimates, etc.
 - 1.35 The project architect shall meet with the institutional building committees, the Vice-Chancellor for Business Affairs or his delegate, and the Director of Facilities Planning and Construction 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 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 project 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 project 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 project 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. 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 Vice-Chancellor for Business Affairs or his delegate shall appoint a committee consisting of the Director of Facilities Planning and Construction, an architect and engineer from the staff of the Office of Facilities Planning and Construction, the component institution's chief business officer and director of physical plant, and the project architect to inspect the completed building and recommend to the Board of Regents final acceptance.
- 1.3(11) Final payment shall be made to the contractors only after approval of the above committee, and project architect.

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 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 chief business officer, 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, the chief business officer, 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 \$25,000 per project shall be made under the supervision of the Director of Physical Plant and/or the chief 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 \$25,000 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 with the chief business officer as a voting or ex officio member.
- 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 appointed project architect 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 project 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 Buildings and Grounds 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, and the project 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 University of Texas at Austin and at El Paso.
- 5.2 Under the provisions of the current Appropriation Bill, prior to the allocation, expenditure or encumbrance of any funds provided under the authority of Article VII, Sections 17 and 18, 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. Copies of such requests for the Governor's approval shall be 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 any of the component institutions of The University of Texas System under Article 2593, Revised Civil Statutes of Texas, 1925.
- 6.2 The substance of this requirement shall be stated in the advertisement for such bids; provided, however, that this requirement shall not be construed to prohibit the submission of filing of more than one separate and independent bid by any bidder.

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

CHAPTER IX

MATTERS RELATING TO THE OFFICE OF INVESTMENTS, TRUSTS AND LANDS

Sec. 1. Certain Specific Authorizations to the Executive Director of Investments, Trusts, and Lands and the Endowment Officer.

- 1.1 Authority to Sell, Assign, and Transfer Securities Held by the Permanent University Fund.-- The Executive Director of Investments, Trusts and Lands (or the Endowment Officer) and the Treasurer of the State of Texas (or the Acting Treasurer of the State of Texas) are jointly authorized 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 System (formerly The University of Texas) and registered in the name of "The University of Texas", "The University of Texas System", "The University of Texas for Permanent University Fund, A State Endowment Fund, Austin, Texas", "The University of Texas System for Permanent University Fund, a State Endowment Fund, Austin, Texas", "Permanent University Fund of The University of Texas", "Permanent University Fund of The University of Texas System", or in any other form of registration of such securities held for the account of the Permanent University Fund of The University of Texas System.
- 1.2 Authority to Sell, Assign, and Transfer Securities Held by the Board of Regents of The University of Texas System.-- The Executive Director of Investments, Trusts and Lands and/or the Endowment Officer are each authorized to sell, assign, and transfer any and all bonds, stocks, notes, and other evidences of indebtedness and ownership of any description whatsoever registered in the name of the Board of Regents of The University of Texas System (formerly Board of Regents of The University of Texas) in whatever manner, including all fiduciary capacities, and including those registered in the names of trusts or foundations managed and controlled by said Board of Regents.
- 1.3 Authority to Execute Instruments Relating to Land and Mineral Interests.-- The Chairman of the Board of Regents, the Vice Chairman, and the Executive Director of Investments, Trusts and Lands, are each authorized to execute conveyances, deeds, surface and/or mineral leases, easements, rights of way, oil and gas division orders and transfer orders, geophysical and material source permits, water contracts, pooling and unitization agreements, and any other instruments as may be necessary or appropriate from time to time, relating to the handling, management, control and disposition of any real estate or mineral interests under the control and management of the Board of Regents of The University of Texas System.
- 1.4 Authority to Receive and Collect Money and/or Property.-- The Executive Director of Investments, Trusts and Lands and/or the Endowment Officer are each authorized and empowered to ask, demand, collect, recover, and receive any and all sums of money, debts, dues, rights, property, effects or demands whatsoever due, payable or belonging, or which may become due, payable or belonging to any of the above funds, from any person or persons whatsoever, and to execute any and all necessary or proper receipts, releases, and discharges therefore.

- 1.5 Authority to Execute Proxies.-- The Executive Director of Investments, Trusts and Lands and/or the Endowment Officer are each authorized to execute proxies within the approved investment policies.

Sec. 2. Investment Policy for Permanent University Fund.-- The following statement of policies was adopted by the Board of Regents of The University of Texas System on March 11, 1967, as the governing principles to be observed in the investment of funds and management of assets of the Permanent University Fund of The University of Texas System. This statement of policies was intended to, and did, replace all declarations of policy theretofore adopted by such Board. (Provisions designated * are required by the Sections 11 and 11a, Article VII of the Constitution of the State of Texas).

2.1 Investments Authorized for Purchase.

- *2.11 Bonds of the United States, the State of Texas or counties of said State, or in school bonds of municipalities, or in bonds of any city of said State, or in bonds issued under and by virtue of the Federal Farm Loan Act approved by the President of the United States, July 17, 1916, and amendments, thereto.
- *2.12 First lien real estate mortgage securities guaranteed in any manner in whole by the United States Government or any agency thereof.
- *2.13 Corporation bonds, preferred stocks and common stocks.
- 2.14 Bonds issued by corporations operated as instrumentalities of the United States Government (which shall be considered as falling within the classification set out in paragraph 2.13 above.)

2.2 Standards as to Quality.

2.21 Corporate Stocks:

- *2.211 Stocks eligible for purchase shall be restricted to stocks of companies incorporated within the United States which have paid dividends for ten (10) consecutive years or longer immediately prior to the date of purchase.
- *2.212 Except for bank and insurance shares, stock must be listed upon an exchange registered with the Securities and Exchange Commission or its successors.
- 2.213 To be eligible for purchase, preferred and common stocks must be issued by corporations which have been formally approved by the Board of Regents.

- 2.22 Corporate Bonds: Corporate bonds must be rated "A" or better by Moody's or Standard & Poor's. Bonds offered by private placement, or which for other reasons are not rated by such agencies, may be purchased if they bear a rating of equivalent quality by the University's Investment Counsel.

2.3 Diversification.

- *2.31 Not more than 50% of the Permanent University Fund shall be invested at any given time in corporation bonds, preferred stocks and common stocks (described in paragraphs 2.13 and 2.14 above).
- *2.32 The balance of the Fund not invested as provided in paragraph 2.31 above shall be invested in those securities described in paragraphs 2.11 and 2.12.

- *2.33 Not more than 5% of the voting stock of any one (1) corporation shall be owned at any given time by the Permanent University Fund.
 - *2.34 Not more than 1% of the Permanent University Fund shall be invested at any given time in securities issued by any one (1) corporation.
 - 2.35 The percentage limitations set out in paragraphs 2.31 and 2.34 above relate to book values of the Permanent University Fund.
- 2.4 Standard of Care.
- 2.41 Prudent Man Rule: In making or retaining each and all investments for the Permanent University Fund, and in the management, purchase and sale of such investments from time to time, there shall be exercised the judgment and care under the circumstances then prevailing which men of ordinary prudence, discretion and intelligence exercise in the management of their own affairs, not in regard to speculation, but in regard to the permanent disposition of their funds, considering the probable income therefrom as well as the probable safety of their capital.
 - 2.42 Consistent with the foregoing it is contemplated that:
 - 2.421 Investment of funds in corporate securities shall be reasonably diversified among the various industries operating in our economy, and among the outstanding corporations operating within the respective industry groups.
 - 2.422 Ours is a dynamic and ever-changing economy. Therefore, a proper observance of the Prudent Man Rule requires that changes be made in the diversification of the Fund from time to time as conditions change the earnings outlook or the relative market level for a particular company. Accordingly, in keeping with the duty to be prudent, purchases and sales of Fund assets shall be made from time to time when circumstances dictate the prudence of doing so.
 - 2.423 With a monthly inflow of funds available for investment, an opportunity is afforded to purchase investments in each month of every year, thus providing the Permanent University Fund with a reasonable dollar cost averaging experience.
- 2.5 Policies with Respect to Stock Rights, Fractional Shares and Proxies.
- 2.51 As a general rule, stock rights received are to be exercised. In each instance, exercise or sale of the rights is to be made at the discretion of the Executive Director of Investments, Trusts and Lands, after consultation with the Staff Investment Committee.
 - 2.52 As a general rule, fractional shares received from stock dividends, etc., are to be sold. In each instance, the decision to round out fractional shares or to sell will be made by the Executive Director of Investments, Trusts and Lands, after consultation with the Staff Investment Committee.

2.53 With few exceptions, voting stocks held are to be voted by returning proxies to present management. Exceptions require approval of the Board of Regents.

2.6 Implementation of Policies.

2.61 Two approved lists.-- Two lists of companies whose stocks are considered suitable for purchase or retention shall, after consultation with the Staff Investment Committee, the Investment Counsel, and the Investment Advisory Committee, be submitted by the Executive Director of Investments, Trusts and Lands for approval by the Board of Regents through the Regents' Land and Investment Committee:

2.611 List "A" shall consist of those companies whose stocks are approved for purchase.

2.612 List "B" shall consist of those companies whose stocks are approved for retention only.

2.62 Recommendations re diversification.-- Annually, and at such oftener intervals as may be considered advisable, the Executive Director of Investments, Trusts and Lands, after consultation with the Staff Investment Committee, the Investment Counsel, and the Investment Advisory Committee (where possible), shall recommend for approval by the Board of Regents through the Regents' Land and Investment Committee:

2.621 The percentage of new monies which shall, during the ensuing period, be invested in fixed income securities and in common stocks.

2.622 The percentage of new common stock monies to be invested in the various industry groups. The basis approved by the Board of Regents shall be the guidelines for the Executive Director of Investments, Trusts and Lands to follow in the investment of funds until the guidelines are changed by subsequent action of the Board of Regents.

2.63 Authority re purchase of securities.-- Within the revised policies and in conformance with paragraphs 2.61 and 2.62 above, it shall be the responsibility of the Executive Director of Investments, Trusts and Lands, after consultation with the Staff Investment Committee and Investment Counsel:

2.631 To determine the stocks to be purchased from time to time and the timing of the purchases made.

2.632 To determine the bonds to be purchased from time to time and the timing of the purchases made.

2.633 To execute all purchases of securities.

2.64 Authority re sale of securities.-- It is contemplated that from time to time the best interests of The University of Texas System and the Permanent University Fund may best be served by the sale of certain securities (stocks or bonds), and the reinvestment of the proceeds in other securities (whether similar or dissimilar). It is likewise contemplated that some such sales may be advisable even though they might result in some loss in book value of the Fund. In any such transaction, it is recognized that time is of importance. A requirement that such sale or

exchange transactions be first approved at a meeting of the Board of Regents would be impractical because of the time involved in obtaining such approval. Accordingly, the Executive Director of Investments, Trusts and Lands, after consultation with the Staff Investment Committee and Investment Counsel and the approval of at least five members of the Board of Regents (whose vote may be obtained by telephone), is hereby authorized.

- 2.641 To sell stocks from time to time from List "B" and effect delivery thereto to the purchaser or purchasers.
- 2.642 With the proceeds of any such sale or sales, to purchase other securities (stocks or bonds authorized for purchase under the revised policies), even though the investment so made may represent some deviation from the general investment pattern authorized as set out in paragraph 2.62 above.
- 2.65 Advice of Investment Advisory Committee.-- The Executive Director of Investments, Trusts and Lands shall seek the advice and counsel of the Investment Advisory Committee at its regular quarterly meetings on all of the major matters involving the Permanent University Fund, and particularly on the matters set out in paragraphs 2.61 and 2.62 above.
- 2.66 Reports of purchases, sales and exchanges of investments.-- All purchases, sales and exchanges of investments shall be reported by the Executive Director of Investments, Trusts and Lands for ratification by the Board of Regents through the Regents' Land and Investment Committee at each meeting of the Board.

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

- 3.1 Investments authorized for purchase:
 - 3.11 Unless otherwise limited by the terms of the instrument by which the fund was created, trust and special funds under the control of the Board of Regents shall be invested and reinvested in such securities and investments as are permitted by the Texas Trust Act as legal investments for funds held by trustees.
 - 3.12 Except as broadened by the foregoing Section 3.11, the general statement of policies outlined in Section 2 with respect to the Permanent University Fund shall likewise apply to the investment and management of any trust or special funds under the control of the Board of Regents.
- 3.2 Implementation of Policies.-- The provisions of Section 2.6 with respect to the implementation of policies for the investment and management of the Permanent University Fund shall likewise apply to trust and special funds, provided that approval of the Board of Regents shall be required before any stock is purchased which is not on approved list "A".

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

Sec. 5. Staff Investment Committee.

- 5.1 Membership.-- The Staff Investment Committee shall consist of the Executive Director of Investments, Trusts and Lands, the Endowment Officer, the Assistant to the Endowment Officer, and such other members as may be designated from time to time by the Executive Director of Investments, Trusts and Lands.
- 5.2 Duties.-- The Staff Investment Committee shall cooperate and advise with the Executive Director of Investments, Trusts and Lands on matters relating to the management of investments for which he is responsible.

Sec. 6. Investment Advisory Committee.-- To assist and advise with the Executive Director of Investments, Trusts and Lands on matters relating to the management of investments for which he is responsible, the Investment Advisory Committee, heretofore established, shall be continued. The following rules shall apply to such Committee:

- 6.1 Membership.-- The four members of the Committee shall be selected because of their particular qualifications and experience in the field of investments, with primary emphasis being placed on their experience in bond and corporate stock investments.
- 6.2 Selection Procedure.-- Appointments to such Committee shall be made by the Board of Regents after recommendation by the Executive Director of Investments, Trusts and Lands.
- 6.3 Term of Office and Compensation.-- Each member shall serve a four year term on a rotating basis, with the term of one member expiring each August 31, and shall be compensated at the rate of \$100 per meeting attended.
- 6.4 Meetings.-- Meetings shall be held quarterly and at such other dates as may be considered advisable by the Executive Director of Investments, Trusts and Lands.

Sec. 7. Brokerage Firms.

- 7.1 Approved List.-- Normal purchase and sale transactions shall be effected through firms which have been approved by the Board of Regents after recommendation by the Executive Director of Investments, Trusts and Lands.
- 7.2 Unlisted Securities.-- Purchases and sales will generally be effected through brokers on the approved list. Where the best interests of The University of Texas System seem to require it, such transactions may be effected through such broker or brokers as the Executive Director of Investments, Trusts and Lands may select. Any such purchase or sale from a broker not on the approved list will be reported promptly in writing to the Board of Regents together with a statement of reasons therefor.
- 7.3 Block Transactions.-- Block purchases and sales will generally be effected through brokers on the approved list. Where the best interests of The University of Texas System seem to require it, such transactions may be effected through such broker or brokers as the Executive Director of Investments, Trusts and Lands may select. Any such purchase or sale from a broker not on the approved list will be reported promptly in writing to the Board of Regents together with a statement of reasons therefor.

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, students 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 chief business officer 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 for distribution to the Members of the Board of Regents, to the Secretary of the Board of Regents, and to such members of the 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.

- 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.
- 8.4 Within ninety days following the close of each fiscal year of Texas Student Publications, Inc., there shall be furnished to the Chancellor for distribution to the Members of the Board of Regents, the Secretary of the Board of Regents, and to such members of the 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, 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.
- 8.6 In order to minimize sharply rising publishing costs, outside the campus of The University of Texas at Austin 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 of Texas at Austin 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.

CHAPTER XI

RESEARCH AND TRAINING CONTRACTS, GRANTS OR AGREEMENTS

- Sec. 1. Research and Training contracts, grants or agreements with outside agencies shall be approved by the institutional head, and ratified via the institutional dockets by the Board of Regents. (The Chancellor may modify this requirement at his discretion for certain contracts and grants by issuing appropriate instructions for so doing.) Funds shall not be encumbered or expended under any such contract or grant prior to approval thereof.
- Sec. 2. Proposals 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 and approved by designated administrative officials, including the institutional head. The chief business officer at each institution is responsible for the business aspects of the proposals.
- Sec. 3. Under State law, a copy of all contracts between a component institution of The University of Texas System 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 to the Board of Regents in the manner prescribed by that office.
- 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 Sponsored Projects at The University of Texas at Austin and by the equivalent office at the other component institutions.
- Sec. 5. Proposals as to overhead rates on cost-reimbursement contracts and other government contracts and grants shall be worked out in preliminary form by the chief business officer concerned and shall be reviewed and approved by the System Comptroller before being submitted. Subject to approval of the Vice-Chancellor for Business Affairs, the System Comptroller shall negotiate all such overhead rates for the component institutions of The University of Texas System.
- Sec. 6. Information as to overhead rates applicable to the type of contract, grant or agreement to be entered into shall be secured from the System Comptroller via the business officers and/or the appropriate research administration officer.

REGENTS' RULES AND REGULATIONS: AMENDMENT TO PART TWO

JUN 17, 1967

.--An amendment to the Rules and Regulations of the Board of Regents of The University of Texas System for the Government of the University System, Part Two, Chapter III, was amended by inserting in lieu of Section 13.23 the following:

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.

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RULES AND REGULATIONS, PART ONE: AMENDMENT BY ADDING A CHAPTER ON STUDENT SERVICES AND ACTIVITIES (FIRST READING). -- The policies on student services and activities for The University of Texas System as proposed by the Administration were amended. As amended and as set out below, these policies were adopted on first reading as an amendment to the Rules and Regulations of the Board of Regents for the Government of The University of Texas, Part One. In accordance with the Regents' rules, this amendment will be presented at the March meeting on second and final reading; and if adopted on final reading, will become Chapter VII of Part one and the present Chapter VII will become Chapter VIII:

CHAPTER VII

STUDENT SERVICES AND ACTIVITIES

Sec. 1. General Provisions.

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1.1 These policies and regulations apply to all component institutions of The University of Texas System and shall be implemented appropriately in each Institutional Supplement.

1.2 When the title, "Dean of Students," appears in this chapter, reference is made to the administrator bearing that title, or his counterpart, at each component institution.

1.21 It is understood that any action by a Dean of Students as provided in this chapter is subject to the approval of the institutional head.

1.3 Any individual student, group of students, or student organization may petition the Board of Regents on any matter relating to these policies through the Dean of Students, the institutional head, and the Chancellor.

1.4 These policies shall become effective on June 1, 1967 and shall, at that time, supersede all policies that might be in conflict.

1.5 The Dean of Students, under the direction of the institutional head, shall be charged with the responsibility for the preparation of institutional regulations which will implement the policies set forth in this chapter.

1.6 Definition of Student. -- A student is one who is currently enrolled at one of the component institutions. These policies will also apply to a prospective or a former student who has been accepted for admission or readmission and who is at the campus.

1.7 Definition of Campus. -- The campus of a component institution is defined as all real property over which that institution has jurisdiction.

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

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2.1 The Dean of Students shall be the administrative officer responsible for the development and administration of policies relating to students and for the development and implementation of services to students in the areas assigned to him.

2.2 The Dean of Students shall, under the direction of the institutional head, be responsible for (1) the supervision and development of student out-of-class programs and activities and of all student organizations; (2) the development of policies affecting student life; (3) the promulgation and enforcement of University rules that govern student conduct; (4) the administration of student discipline on the campus.

2.3 The administrative staff of the Dean of Students shall consist of the heads of services for which he has administrative responsibility.

2.4 The Dean of Students shall, with the approval of the institutional head, work with academic deans and department chairmen in structuring and implementing a program of faculty advising for new students.

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

Sec. 3. Student Conduct and Discipline.

3.1a The University, in common with other large institutions, has for its orderly and efficient conduct special regulations, and each student is charged with notice and knowledge thereof.

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3.1b All students are expected to show respect for properly constituted authority and to observe correct standards of conduct.

3.1c Obedience to the law being a primary duty of the citizen, the conviction of the student for violation of the law renders him subject also to disciplinary action on the part of the University.

3.1d Members of secret political organizations are excluded from the University.

3.2 The drinking of intoxicating liquors, gambling, immoral conduct, and dishonesty render the student subject to discipline.

3.3 Hazing in state educational institutions is prohibited by a state law. (Texas Penal Code, 1925, Articles 1152, 1153, 1154, and 1155.) Hazing with or without the consent of a student is prohibited by The University of Texas System.

3.4 Initiations by organizations may include no feature which is dangerous, harmful, or degrading to the student.

3.5 The component institutions of The University of Texas System shall administer student discipline within the procedures of fair and established due process.

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3.51 Under the direction of the institutional head, the Dean of Students shall have the authority and responsibility for the administration of student discipline in his institution and may administer penalties for violation of System and/or institutional policies or rules and regulations, whether or not such violations are also violations of civil or criminal law.

3.511 The Administrative Council, or its counterpart, will review any disciplinary action in which expulsion (permanent severance from the institution) is recommended. When the Council is in doubt about the propriety of the penalty, it will return the case, with the Council's reason for doing so, to the Dean of Students for reconsideration by a second and completely different discipline committee. The decision of the second committee shall be final subject to provisions of section 1.3 of this chapter.

3.52 Through matriculation at an institution in The University of Texas System, a student neither loses the rights nor escapes the responsibilities of citizenship. Students who violate the law may incur penalties prescribed by civil authorities, but institutional authority shall never be used merely to duplicate the function of general laws. When the institution's interests as an academic community are distinct from those of the general community, the special authority of the institution shall be asserted.

3.53 Upon recommendation of the Discipline Committee, indictment for a felony may suspend the student. If the student is not acquitted, his readmission to the institution will be subject to the approval of the Dean of Students and the institutional head.

3.54 Since the value of the University's degree depends on the absolute integrity of the work done by each student for that degree, it is imperative that a student maintain a high standard of individual honor in his scholastic work. Scholastic dishonesty is the submission as one's own work of material that is not one's own. As a general rule, it involves one of the following acts: Cheating, plagiarism, and collusion.

3.55 The Dean of Students may take immediate interim disciplinary action for violation of University rules and regulations when, in his opinion, such action is warranted.

3.56 Due process is recognized as basic to the enforcement of institutional regulations. The Dean of Students, with the concurrence of the institutional head, shall, therefore, establish a discipline committee and institutional regulations providing for the processing of discipline cases in accordance with recognized standards of procedural due process.

Sec. 4. Student Organizations.

4.1 An organization in which membership is limited to students (recognizing that faculty and staff may also be members) of a component institution may become a registered student organization in that institution by complying with the registration procedures established by an appropriate committee or committees and approved by the Dean of Students.

4.2 The Dean of Students, with the approval of the institutional head, shall establish regulations requiring faculty or staff advisers for registered student organizations.

4.3 A registered student organization may state that its membership is composed of students or students and staff of a component institution, but shall not suggest or imply that it is acting with the authority of that institution.

4.4 The Dean of Students, with the approval of the institutional head, may issue regulations governing the eligibility of students for participation in organized activities.

4.5 At each component institution, an appropriate committee or committees shall have jurisdiction over all registered student organizations.

4.6 Any student organization is subject to disciplinary action or revocation of registration as a student organization for violation of institutional policies or regulations.

Sec. 5. Participation in Student Government.

5.1 Students' Associations. -- Students' associations currently authorized at the component institutions of the University are hereby approved. They shall have such jurisdictions and shall exercise such powers as the Board of Regents, upon their request and with the approval of the institutional heads, may delegate to them.

5.11 Constitutions and Laws Approved. --The constitutions and laws of the several associations in force at the date of adoption of these Rules and Regulations are hereby approved, and the jurisdictions and powers therein set forth are hereby delegated by the Board of Regents to the several associations.

5.12 Mode of Amending Constitutions and Laws. -- An amendment or addition to the constitution or laws of a students' association may be adopted by an association, in accordance with its constitution and laws, but the change shall not become effective until transmitted to and acted upon by the Dean of Students, the institutional head, and the Chancellor and approved by the Board of Regents.

5.13 Amendment or Repeal by Regents. --The Board of Regents shall amend or repeal any portion of the constitution and laws of a students' association when, in the judgment of the Board, the interests of the particular institution shall require it.

5.14 Amendment or Repeal by Dean of Students. -- The Dean of Students shall have the power, when in his judgment the interests of the institution require it, to amend or repeal any provision in the constitution or laws of the particular association, but his action shall be in force only until the next meeting of the Board of Regents, when Section 5.13, above, becomes applicable.

5.15 Salaried Employees Approved by Regents. -- All persons officially employed on salary by or under the direct supervision of a students' association shall be subject to approval by the Dean of Students, the institutional head, the Chancellor, and the Board of Regents, both as to salary and as to qualifications.

5.16 Annual Financial Reports. --Every officially recognized students' association shall make annually a complete financial report to the institutional business officer, and shall make special reports as may be called for by him. A duplicate copy of each report shall be filed with the Dean of Students. Committees and administrative units of a students' association maintaining a budget in excess of \$25.00 per annum shall make any interim reports of financial condition as may be required by the Dean of Students.

5.2 The students' association on each campus shall be a recognized forum of student opinion.

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5.21 When a students' association takes a position with reference to issues directly related to a component institution and its operations, its recommendations for legislative or administrative action shall go through the Dean of Students.

5.22 When a students' association takes a position on non-University issues, it shall make clear the fact that it does not speak for the institution.

5.23 A students' association may conduct polls, initiate petitions, and/or establish forums for debate or discussion under specific conditions.

5.24 Officers of a students' association may so identify themselves when they express their personal views, but they shall then make it clear that they are not speaking for the institution, the students' association, or for the student body.

Sec. 6. Use of University-Owned Facilities.

6.1 The Dean of Students is charged with the responsibility of establishing regulations and procedures for the use of institutional buildings, grounds, and other facilities by students or student groups for purposes other than regular academic use. He will coordinate such regulations and procedures with the Property Manager, or his counterpart, at each institution. Regulations shall be in accordance with the following:

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6.11 Commercial solicitations will not be authorized.

6.12 Use of Physical Facilities of the University by Outside Groups; a Registered Student Organization as a Joint Sponsor. --Registered student organizations may use University physical facilities in compliance with institutional regulations. Groups of students which are not registered may not use University physical facilities. Registered student organizations may not enter into joint sponsorship of any on campus project or program with individuals, groups of students which are not registered, or non-University groups, except as provided in Part Two, Chapter VII, Sec. 2.

6.13 Registered student organizations may be authorized to conduct fund-raising activities, subject to the following limitations:

6.131 Such fund-raising activities shall be for the benefit of the total institution or of a worthy institution-related activity.

6.132 Any fund raising from students by students for charity shall be subject to regulations made by the students' association at each component institution.

6.133 Institutional regulations may permit fund-raising activities by student organizations for their own benefit only among their own members and only at official meetings.

6.134 To insure noninterference with University purposes and functions, institutional regulations shall include appropriate provisions for establishing time, place, and manner of fund-raising activities and for requiring financial reporting and accountability.

6.14 Regulations permit students and registered student organizations, under specified conditions, to petition, post signs, set up booths, and/or peacefully demonstrate on the campus. Regulations prohibit any activity that would interfere with regularly scheduled University programs.

6.15 Institutional regulations shall provide means by which students or registered student organizations may reserve University-owned facilities.

6.2 The use of student center or student union facilities on the campus of each component institution shall be subject to approval of that center's governing board.

6.3 Extracurricular student activities involving the use of University-owned facilities shall be conducted in accordance with the law (local, state, national) and with the applicable University regulations. It shall be understood that such activities shall not disrupt or disturb the regularly scheduled University program and shall not result in damage to or defacement of property.

6.4 All individuals on University-owned property or using University-owned facilities are required to identify themselves upon request of an institutional representative acting in the performance of his duties.

Sec. 7. Speech and Advocacy.

7.1 Freedom of inquiry and discussion are basic and essential to intellectual development. Students have the right, therefore, to freedom of speech and of advocacy, subject to the following:

7.11 "It shall be unlawful for any person knowingly or willfully to . . . advocate, abet, advise, or teach by any means . . . under such circumstances as to constitute a clear and present danger to the security of the United States, or of the State of Texas, or of any political subdivision of either of them . . . "
(Texas Civil Statutes, Article 6889-3A, Sec. 5.)

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7.12 The time, place, and manner of exercising speech and advocacy on the campuses shall be subject to regulations adopted by the component institutions. Such regulations require orderly conduct, noninterference with University functions and/or activities, and identification of sponsoring individuals or groups.

7.13 Students who are candidates for public office or students appearing in the interest of a particular candidate or candidates for public office may be permitted the use of University-owned facilities under the provisions of paragraphs 7.241 and 7.242.

7.2 Off-Campus Speakers. -- The Board of Regents reserves the right to regulate the presentation of guest speakers on the campus who are unaffiliated with the University (hereafter referred to as off-campus speakers) in accordance with the following policies:

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7.21 Only registered student organizations, University-owned dormitories, and student center committees may present off-campus speakers.

7.22 The organization sponsoring an off-campus speaker has the responsibility of making clear the fact that the student organization, not the institution, is extending the invitation to speak and that any views the speaker may express are his own and not necessarily those of the University system or of a component institution.

7.23 An off-campus speaker is subject to the Texas Civil Statutes as quoted in section 7.11.

7.24 Candidates for public office, or other off-campus speakers appearing in the interest of a particular candidate or candidates for public office, may be permitted the use of University-owned facilities under the following conditions:

7.241 The meeting will be open only to members of the recognized sponsoring organization and their personally invited guests, other students and faculty.

7.242 The places of the meetings will be limited to student center or student union facilities and/or to specified auditoriums on dates regularly reserved for meetings of this nature.

7.25 Off-Campus speakers must be registered in advance by the sponsoring group with an official designated by the Dean of Students.

Sec. 8. Off-Campus Student Housing.

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

8.11 The office of the Dean of Students will maintain an open file of private housing, which file will contain descriptive information submitted voluntarily by any operators on quality and cost of accommodations, rules and regulations enforced, supervision provided, and similar matters. Subject to parietal rules, this file will be made accessible to anyone desiring to use it.

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

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9.1 The University is not responsible for debts contracted by individual students or by student organizations. On the other hand, the University expects all students and student organizations to conduct themselves honorable in all commercial transactions. The University will not assume the role of a collection agency for organizations, firms, and individuals to whom students may owe bills, nor will the University adjudicate disputes between students and creditors over the existence or the amounts of debts.

9.2 A student, however, is expected to perform his contractual obligations and in the event of conduct on the part of the student clearly demonstrating a flagrant disregard of his commercial obligations (refusal to pay or meet admitted debts or obligations will be thus construed), action will be taken appropriate to the age of the student and other circumstances.

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

Sec. 10. Anonymous Publications.

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10.1 Anonymous publications are prohibited. Any student publishing or aiding in publishing, or circulating or aiding in circulating, any anonymous publication will be subject to suspension.

Sec. 11. Other Regulations Concerning Student Affairs are Reported in the Rules and Regulations of the Board of Regents, as follows:

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Fellowships, Scholarships, and Loan Funds - Part Two, Chapter I, Sec. 2, p. 2.

Tuition and Other Fees - Part Two, Chapter I,
Sec. 3, p. 2.

Policy Against Discrimination - Part Two, Chapter I,
Sec. 5, p. 2.

Student Employment - Part Two, Chapter V, Sec. 2.5,
p. 31.

Parking Lots - Part Two, Chapter VII, Sec. 12.3, p. 47.

Auxiliary Enterprises - Part Two, Chapter X,
Sec. 1-7, p. 59.

Texas Student Publications - Part Two, Chapter X,
Sec. 8, pp. 59-60a