REGENTS' RULES AND REGULATIONS, PART TWO: AMENDMENTS TO CHAPTER III (TRAVEL REGULATIONS FOR SYSTEM ADMINISTRATION AND COMPONENT INSTITUTIONS), CHAPTER X (STUDENT ACTIVITIES FEES AT COMPONENT INSTITUTIONS) AND CHAPTER XII (RESIDENCY STATUS OF STUDENTS). --Upon recommendation of the Administration, the Regents' Rules and Regulations, Part Two were amended as set out below:

1. In support of the following amendment to Chapter III, which conforms the Rules and Regulations to the travel regulations in Article V of Senate Bill No. 11, 62nd Legislature, R. S., the Administration presented the following narrative statement:

"The 62nd Texas Legislature through Senate Bill Number 11, the General Appropriations Act for the Fiscal Year Ending August 31, 1972, modified certain provisions of the travel regulations applicable to state employees. The primary changes increased the per diem allowance for travel within the state from $14 to $16 and for travel out of state from $17 to actual expenses up to $35."

Without objection Chapter III was amended as follows:

a. Section 11 was deleted and the following substituted in lieu thereof:

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 Chief Administrative Officers and the Chancellor. These membership dues, registration fees, and similar expenses are subject to further prior written approval by the Governor when required by the General Appropriations Act.

b. Subsection 12.3 of Section 12 was deleted and the following substituted in lieu thereof:

12.3 If payment for regular salaried employees is for less than a month, the salary shall be figured proportionately on the actual number of hours worked during the month.

c. Delete the following subsections and/or subdivisions and substitute in lieu thereof the respective subsections or subdivisions set out below:

Subsection 13.2 of Section 13
Subdivisions 13.31, 13.35, and 13.37 of Subsection 13.3 of Section 13
Subdivision 13.41 of Subsection 13.4 of Section 13
Subdivision 13.43 and its Subdivisions 13.431 and 13.432 of Subsection 13.4 of Section 13
Subdivision 13.464 of Subsection 13.4 of Section 13
13.2 Approvals of travel by the Chief Administrative Officer or his authorized representative shall be made only.

13.31 Requests for authorization to be absent for a period not in excess of two weeks (fourteen calendar days) shall be transmitted through proper administrative channels to the Chief Administrative Officer of the component institution for approval.

13.35 Any travel that contemplates reimbursement from funds appropriated by the Legislature for travel expenses incurred must have the advance written approval of the Governor, with the exception of travel to, in, and from the several states, United States possessions, Mexico, and Canada.

13.37 The Chief Administrative Officers of the component institutions shall keep records of all approved absences which shall be available for review by the Chancellor and the Board of Regents, or other duly authorized officers of The University of Texas System.

13.41 Travel expenses shall be reimbursed only from funds appropriated or authorized for travel. The Chief Administrative Officers shall plan the travel of all employees under their authority to achieve maximum economy and efficiency.

13.43 Allowances for Meals and Lodging. --Travel Status for continuous Period of Twenty-Four (24) Hours or More. -- An employee who is traveling on official University business and is in continuous travel for a period of twenty-four (24) hours or more will be reimbursed in accordance with the following:

13.431 In-State--A per diem allowance, in lieu of actual expenses for meals and lodging, will be paid at the rate of $16.00 per calendar day, and at the rate of $4.00 for each period of six (6) hours or fraction thereof (at least 2 hours).

13.432 Out-of-State--Actual cost of meals, lodging and incidental expenses, not to exceed $35.00. Receipts are required for the lodging to be reimbursed.

13.441 An employee who is traveling on official University business for a continuous period of a minimum of six (6) hours but less than twenty-four (24) hours which does not involve over-night stay will be reimbursed a partial per diem for meals in lieu
of actual expenses for both in-state and out-of-
state travel. In no event will the total of this
partial per diem allowance exceed $7.00 per day,
and individual meal allowances will not exceed
the following:

13.441 Breakfast allowance if the employee
departs from designated headquarters
before 7:00 a.m. (or, in the case of his
return to designated headquarters after
7:00 a.m.) $2.00

13.442 Lunch allowance if the employee is away
from his designated headquarters after
1:00 p.m. $3.00

13.443 Dinner allowance if the employee is away
from his designated headquarters after
7:00 p.m. $5.00

13.442 An employee who is traveling on official University
business in-state for a continuous period of a mini-
umum 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 $16.00 at the rate of $4.00 for each
six (6) hour period involved or fraction thereof
(at least 2 hours).

13.464 When both in-state and out-of-state travel occur
in the same calendar day, the rate of travel allow-
ance for all travel in that day shall be the same as
for out-of-state travel (not to exceed $35.00 per day).

13.471 Rented or Public Conveyance Including Taxis.--
An employee traveling by rented or public convey-
ance, 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.

The allowance for air transportation shall be
tourist class unless tourist class is not available.
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.

13.4711 Where the employee pays for public trans-
portation from his personal funds, receipts
for such necessary transportation,
excluding receipts for city bus, taxi, or
limousine fares shall be obtained and
attached to the employee's expense accounts
when submitted. A detailed list of all
claims for rented or public transporta-
tion including city bus, taxi, and limousine
fares shall be shown on the Travel Expense
Account under "Record of Transportation
Claimed for Each Trip."

13.4712 The Chancellor or Chief Administrative
Officers or their delegates may request
commercial transportation companies to
furnish required transportation for official business to designated employees of System 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, which shall be tourist class if available. The monthly billings for such transportation services from the transportation company will be vouchered on a regular purchase voucher, showing in detail why each trip listed was necessary in the operation and maintenance of the institution.

13.4724 Reimbursement for out-of-state transportation for the use of personally owned automobiles together with per diem shall never exceed the cost of commercial tourist class transportation from the nearest airport and the per diem (or other allowance established in lieu thereof) required had the employee traveled 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 tourist 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.

13.473 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. The rate for reimbursement for other state employees for such travel in their personally-owned airplanes shall be ten cents (10¢) per highway mile.
13.48 Reimbursement for Dues or Registration Fees. --Reimbursement will not be allowed for dues, registration fees, or similar expenses 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. Reimbursement is further subject to such prior written approval of the Governor as is required by the provisions of the General Appropriations Act.

13.49 Exceptions to Per Diem Allowance. --Executive heads of component institutions shall be reimbursed for their actual meals, lodging, and incidental expenses (exclusive of expenses related to automobiles for which transportation is paid) when traveling on official business either in or out of the state.

13.4(10)1 Contracts--Travel allowances under research or other contracts, which are 100 percent reimbursable, will follow the terms of the contract, and in the absence of specifications the travel rules and regulations covering payments from gifts, grants, and designated funds will apply.

13.4(10)2 Gifts, Grants, and Designated Funds. --Reimbursement for travel expenses paid from Gifts, Grants, and Designated Funds, unless otherwise specified below, will be as follows:

(a) For grants from or derived from Federal or state agencies, travel allowances shall be paid as specified in the foregoing general travel regulations, Subsections 13.43 through 13.49.

(b) For other gifts, grants, trust or designated funds, travel allowances may be for actual expenses for meals, lodging and incidental expenses, not to exceed $35.00 per day. The transportation allowance will be as specified in Subsection 13.47 of the foregoing general travel regulations.

The provisions of both (a) and (b) above are subject to the terms, provisions and conditions of the particular gifts, grants, or funds involved. Further exceptions to these provisions may be in accordance with specific authorization by the Board of Regents for certain designated funds. Likewise, when anticipated living costs are unusually low for those engaged in travel, the person authorizing the travel may reduce the allowance for all or any part of the travel, provided that the employee shall be notified of such reduced allowance before being allowed to incur any expense. When not otherwise prohibited by the terms of the gift or grant, employees may
also be reimbursed for required registration fees or similar expenses incurred in attending meetings of organizations or associations. Receipts for registration fees or similar expenses shall be obtained and attached to the expense voucher. Project Directors, Principal Investigators, Departmental Chairmen, or other authorized personnel under a gift or grant who travel in their personally owned airplanes on necessary official business may be reimbursed at the rate of ten cents (10¢) per highway mile for in-state travel. The same rate shall apply to out-of-state travel, subject to the limitation that the mileage reimbursement shall not exceed the amount equal to the number of persons flying by private plane times the allowable commercial tourist class airline rate.

2. In support of the following amendment to Chapter X relating to Student Activities Fees at component institutions, the Administration presented the following narrative statement:

"At the June 4, 1971, meeting of the Board of Regents, the Board approved a recommendation from Chancellor LeMaistre that all component institutions be directed to designate uniformly all student services fees and blanket taxes as Student Activities Fees, whether such fees are optional or required. It was further ordered that all funds collected as Student Activities Fees be subject to control as other state funds, that no such funds be expended without the prior approval of a budget by the institutional head, and that all such funds remain on the books and be disbursed in accordance with standard provisions for the disbursement of state funds."

Without objection Chapter X was amended by deleting Section 1 and substituting in lieu thereof the following:

Sec. 1. Auxiliary Enterprises are those operated primarily for service to students and staff. Such enterprises are expected to be self-supporting. Examples of such enterprises are residence halls, dining halls, student hospitals, student unions, bookstores, and any activities supported from fees collected as Student Activities Fees, whether such fees are optional or mandatory.

3. In support of the following amendment to Chapter XII, the Administration presented the following narrative statement:

"These recommendations would remove from the Rules and Regulations a chapter which is frequently amended pursuant to legislative revisions or as determined to be necessary by the U. T. System Administration from time to time."

Upon motion of Regent Garrett, seconded by Regent Williams, Chapter XII (Residency Status of Students) was deleted. Regent Erwin requested to be recorded as voting "No." See Page 96 for Administrative Memorandum.
VALUES OF MEALS AND LODGING FOR EMPLOYEES

In compliance with the Rules and Regulations of the Board of Regents, Part Two, Chapter X, Section 6, and upon the recommendation of Vice President Pennington, I recommend the approval of the money values of meals and lodging employees are authorized to receive in lieu of additional wages or salary as follows:

FOR THE UNION:

Meals for hourly employees are salaried employees: 64c per Meal

These values will be treated as compensation for Federal Social Security Taxes, Federal Income Taxes, and Teacher Retirement.

FOR THE HOUSING SYSTEM:

Room and board for salaried employees: $110 per Month
Room only for salaried employees: $40 per Month

These values will be treated as compensation for Federal Social Security Taxes and for Teacher Retirement, but not for Federal Income Taxes since the room and board is for the convenience of the University.

3. U. T. Austin: Request of Chancellor to Submit Amendments to Regents' Rules and Regulations, Part Two, Chapter X (Relating to Approval of Minutes of Athletics Council and of Texas Union Board) at September Meeting.—Chancellor LeMaistre's written request to prepare for submission to the September 1971 Regents' meeting proposed amendments to the Regents' Rules and Regulations, Part Two, Chapter X whereby the President of The University of Texas at Austin would be delegated the authority to approve the minutes and actions of the Athletics Council and of the Texas Union Board of U. T. Austin was approved in principle. The Committee considered this a request for an expression as to whether or not this particular approach is acceptable. It was understood that at the next meeting recommendations would be submitted that would implement a proposal along the policy outlined herein. Such proposed amendments, however, will be submitted to the Committee of the Whole as are all amendments to the Regents' Rules and Regulations.
a. Delete Chapter VI and substitute in lieu thereof the following:

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 percent of their salary up to and including $25,000 per year, with the maximum contribution of $1,500 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 five highest years of creditable service, not to exceed $25,000 of salary for any one year beginning September 1, 1969. Years of service for the period September 1, 1957, through August 31, 1969, have a maximum limit of $8,400.

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:

1.7.1 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 twenty years creditable service upon reaching age 55 or with thirty 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. "Prior service" means service by such person as a teacher or auxiliary employee prior to (A) September 1, 1937, as relates to any person who became a member or who at any time on or before August 31, 1949, was eligible for membership in the Teacher Retirement System, or (B) September 1, 1949, as relates to any person who for the first time became eligible for membership in the Teacher Retirement System on or after September 1, 1949.

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.

1.10 Few employees of The University of Texas System are members of the Employees Retirement System because 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. 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 5 percent of the total salary earned, which is deducted from monthly salary payments.

Sec. 2. Optional Retirement Program.

2.1 Pursuant to Chapter 729, Acts of the 60th Legislature, Regular Session, 1967 (Article 2922-11, Vernon’s Texas Civil Statutes), as amended, the Board of Regents of The University of Texas System has authorized:

2.11 The establishment of an Optional Retirement Program in lieu of active membership in Teacher Retirement System of Texas to become effective September 1, 1968.
2.12 Any insurance or annuity company qualified and admitted to do business in this State to offer an Optional Retirement Plan to eligible employees of The University of Texas System.

2.13 The ceiling on both the employee's contribution and the State's matching contribution to the Optional Retirement Plan to be the same as is in effect for contributions to the Teacher Retirement System.

2.14 Compliance with the terms and provisions of the Act, and further compliance with prescribed rules and regulations of the State Board of Insurance and The University of Texas System.

2.2 Eligibility - The following types of employees are eligible to participate in the Optional Retirement Program:

2.21 All full-time faculty members appointed at least 4-1/2 months.

2.22 All full-time administrative, research, or professional personnel appointed for at least 4-1/2 months, excluding any person employed in a position which is in the classified personnel pay plan of a component institution of the University.

2.23 A full-time person who enters the program and later reduces to part-time status will remain eligible for the Program.


2.3 Effective Date of Participation

2.31 Eligible employees in The University of Texas System employed as of September 1, 1968, shall elect to participate in the Optional Retirement Program no later than the first day of August, 1969. An eligible employee not exercising the option to participate in the Optional Retirement Program by August 1, 1969, is deemed to have chosen to continue membership in the Teacher Retirement System.

2.32 Eligible employees of The University of Texas System employed September 2, 1968, or later, shall within ninety days following date of employment, elect to participate or not to participate in the Optional Retirement Plan. A person is automatically considered a member of the Teacher Retirement System Program unless he elects to participate in the Optional Retirement Program during the first ninety days of employment.

2.4 Contributions to Retirement Plan shall be as follows:

2.41 The Optional Retirement Act authorizes a salary ceiling for contributions equivalent to the Teacher Retirement System. This ceiling, effective September 1, 1969, is 6 percent of the salary ceiling of $25,000 per year.
2.5 The Chancellor's Office of The University of Texas System will approve the companies authorized to offer an Optional Retirement Plan to eligible members of The University of Texas System. Eligible carriers will be approved by the Chancellor's Office only after furnishing a letter of application that must include the following:

2.51 A statement that the company is qualified and admitted to do business in the State of Texas.

2.52 A statement that the annuity contracts to be offered by the company are in accordance with Chapter 729, Acts of the 60th Legislature, Regular Session, 1967 (Article 2922-11, Vernon's Texas Civil Statutes), as amended by Chapter 235, Acts of the 61st Legislature, Regular Session, 1969, and the contract offered has the approval of the State Board of Insurance.

2.53 A statement that the company will observe The University of Texas System's Rules and Regulations regarding the retirement program.

2.54 A guarantee on the part of the company that the first year's State matching contribution (or fractional part thereof) will be refunded to The University of Texas System in the event the employee does not begin his second year of participation in the Optional Retirement Program.

2.55 A description of the company's procedure in allocating the State's first year matching contribution and an assurance that such procedure will enable the policy to retain its 403(b) tax deferred status during the first year of employee participation under a salary reduction agreement.

2.56 A statement that the company will comply with the provisions set out in the memorandum issued from Office of the Chancellor dated October 8, 1968, to Insurance and Annuity Companies in reference to the Optional Retirement Program.

2.57 A statement certifying that the company's contract to provide an annuity under The University of Texas System Optional Retirement Program does not contain a life insurance feature as referred to in A.C. Op. M-595 (1970).

2.58 The letter to be submitted by the company must be signed by either the President or General Counsel of the Company.

2.59 Specimen copies of all types of contracts to be offered by the carrier, both group and individual, must be submitted for approval with the letter of application.

2.6 The eligible member electing to participate in the Optional Retirement Plan shall elect the company he chooses if that company has been approved by the University.

2.7 There can be only one change in Optional Retirement Program carriers per person, and such change may be made only on September 1st of each year.

2.8 Application blanks of authorized insurance carriers will not be furnished by the component institutions because of the possible large number of insurance carriers that may be
authorized under the program. It is the responsibility of each individual interested in participating in the Optional Retirement Program to contact the authorized insurance carrier of his choice for an application blank.

2.9 A.G. Op. M-196 (1968) held that Section 7 of Article 2922-11, Vernon's Texas Civil Statutes, violates Section 48a of Article 3 of the Texas Constitution. As a result of this ruling, benefits cannot be paid under the Optional Retirement Program to any individual also receiving benefits payable under other State pension retirement funds or direct aid from the State of Texas.

2.10 Optional Retirement programs provide for vesting of benefit rights after one year of participation in the program by the employee. Vesting is to be effective on the first day of employment after one year's participation in the program under The University of Texas System. Participation may be with more than one approved carrier (A.G. Op. M-420 (1969)).

Sec. 3. Tax Deferred Annuities.

3.1 Under a plan approved by the Board of Regents, employees of The University of Texas System may purchase 403(b) Tax Deferred Annuities from Texas-licensed insurance companies.

3.2 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.

3.3 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.

3.4 The participation and purchase of 403(b) Tax Deferred Annuities shall be in accordance with Chapter 22, Acts of the 57th Legislature, 3rd Called Session, 1962 (Article 6228a-5, Vernon's Texas Civil Statutes), and shall be in accordance with the Internal Revenue Code and amendments thereto.

3.5 Additional information may be secured from the institutional business offices or the personnel offices.

Sec. 4. Group Hospitalization and Medical Benefit Plan.

4.1 A System-wide contract is in effect to provide group hospitalization and medical insurance coverage on an optional basis for employees of all component institutions of the University System subject to approval of the Deputy Chancellor for Administration, the Chancellor, and the Board of Regents.
4.2 Any employee appointed at least one-half time on a monthly basis is eligible for coverage. The spouse of employees and unmarried children between the ages of 19 and 25 may also be covered.

4.3 Employees may enroll within 60 days after they become eligible for coverage. Employees who do not enroll within 60 days may then do so only during the annual enrollment period.

4.4 The anniversary date of the contract is January 1 of each year. The annual enrollment period will fall during the month of November preceding each anniversary date.

4.5 The contract offers three benefit schedules that provide each employee with options to determine the most suitable plan consistent with his income. The premium rates for coverage depend on the plan selected by the employee and the number of persons in the family to be covered.

4.6 Under the Hospital Benefits and Doctor Benefits portions of the contract, specified amounts are provided under the three plans for room and board allowance, benefit period, surgical benefits, and other specified items.

4.7 The Major Medical Supplement is on a graduated schedule under each of the three plans, with one basic deductible amount for all three plans ($100).

4.8 An insurance continuation provision is available for employees who leave the employment of the University or who retire.

Sec. 5. Group Life Insurance.

5.1 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 annual faculty and staff appointed at least one-half time; new employees are notified of their eligibility by the personnel office at the time of employment.

5.2 The amount of insurance available is based on a schedule that may not exceed two times annual earnings with a maximum of $50,000. Annual earnings for academic personnel shall be the nine-month or twelve-month academic rate, as applicable. Annual earnings for nonteaching 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.
5.3 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.

5.4 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 office. Each policyholder receives a certificate issued by the company and transmitted through the business office or personnel office.

5.5 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.

5.6 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.

5.7 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 10 years prior to retirement.

5.8 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. 6. **Group Long Term Disability Income Insurance.**

6.1 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 monthly salaried employees appointed at least one-half time. 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.

6.2 Monthly rate of basic earnings is the rate in effect on the March 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 $4,166.66 per month. All premiums and benefits are payable 12 months per year.

6.3 The plan guarantees benefits of 65% of the monthly rate of pay up to maximum monthly benefits of $2,708.33 per month, and any extra compensation is excluded. The plan will pay all of the 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 his component institution, or from any other employer, while he is 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.

6.4 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.
6.5 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.

6.6 Each policyholder receives a certificate issued by the company which is prepared and transmitted through the business office or personnel office.

6.7 The insurance of any employee under this policy shall terminate at the earliest time specified below:
   6.71 Upon discontinuance of the policy.
   6.72 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.
   6.73 On the date the employee attains the age of 65 years.

6.8 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.

Sec. 7. Group Accident Insurance.

7.1 Group Accident Insurance was made available to faculty and staff members of The University of Texas System by a rider to the Long Term Disability Insurance Master Policy with the Aetna Life Insurance Company. The Group Accident Plan became effective February 1, 1968, and is available to all faculty and staff members under age 70 appointed to one-half time or more. Eligible employees can join the plan either during the first 60 days of their employment or during an annual enrollment period in December of each year for coverage effective February 1.

7.2 Coverage under the Group Accident Plan is provided to insure against accidental death (in such areas as travel by automobile and travel on an aircraft being used solely for the transportation of passengers, and the coverage is extended to travel outside the United States). The death benefit is also provided if an individual becomes totally disabled while insured before age 60 as a result of an accident of the type covered by the plan. Scheduled dismemberment benefits are also provided for specified losses.
7.3 The amount of coverage that may be selected ranges in multiples of $10,000 from the minimum of $20,000 to the maximum of $200,000; however, no eligible employee may select an amount of coverage that exceeds 10 times his annual salary (for academic personnel the 12-month equivalent of their 9-month contract salary is used in computing the maximum amount of coverage allowable). Employees who select coverage for themselves may also take coverage for their spouses in an amount between $10,000 up to a maximum of 50 percent of the amount actually taken for themselves. Unmarried children under age 19 are automatically covered for $1,000 from the spouse's coverage, unless waived by the employee. Also, unmarried children 19 years of age and over who are regularly attending school and depend solely upon the employee for support are eligible as dependents until their 23rd birthday.

Sec. 8. Social Security (Old Age and Survivors Insurance).

8.1 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. 9. Workmen's Compensation Insurance.

9.1 The Workmen's Compensation Insurance Program is on a System-wide, self-insuring basis, financed by setting aside not more than 2 percent 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.

9.2 The System Personnel Director, 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. His office is responsible for the System-wide coordination of occupational safety and health activities, and for administration and enforcement of state and national laws and standards applicable to occupational safety and health.

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

9.31 Administrative staff, including officers of the administration;
9.32 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

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

9.4 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.

9.5 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 that must be approved by the Board of Regents. The physician’s fee 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.

9.6 A notice of coverage is signed by all employees who are covered, with the original filed in the Workmen’s Compensation Insurance Division of the System Personnel 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.

9.7 The percentage of annual payroll, within the 2 percent mentioned in Subsection 9.1 above, is approved by the Board of Regents, and the amount is set aside from available appropriation other than itemized salary appropriations. Institutional Chief Business Officers shall prepare and send to the System Personnel Director a monthly report of covered employees showing the source of their salaries and a check and/or state warrant 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.

9.8 Physicians are designated for treatment and care of injured employees upon recommendation of the Supervisor and approval of the System Personnel Director 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.

9.9 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.

9.10 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.

9.11 A covered employee disabled from work due to an on-the-job injury may remain on the payroll until his earned vacation and sick leave are exhausted or may request use of any reasonable portion thereof, during which time full medical benefits will remain available. Should an employee continue to remain disabled from work after earned vacation and sick leave are exhausted, provided such accrued leave totals seven days or more, there will be no waiting
period before weekly compensation benefits accrue. Employees who have no sick leave or vacation accrued will be subject to a 7-day waiting period, for which they will be compensated in the event disability lasts 28 days or more. Vacation and sick leave used due to an on-the-job injury, are not charged against holidays, weekends, or other authorized days off.

9.12 The weekly compensation benefit for a covered employee injured in the course of his work is equal to 60 percent of the average weekly earnings for the 12 months immediately preceding injury, though not more than $49 nor less than $12 per week. Compensation to an employee on less than a full work day basis is not more than 60 percent of his average weekly earnings, with the same maximum of $49. Benefits may be paid for no longer than 401 weeks from date of removal from payroll 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.

9.13 Payment for physical examinations, medical aid, hospitalization, and compensation is through the System Personnel Office.

9.14 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.
b. Amend subsections 2.2 of Section 2, 3.2 and 3.5 of Section 3, 4.1, 4.3 and 4.4 of Section 4, 5.1 of Section 5, Sections 6, 7 and its subsections 7.1 and 7.2, 8, 9 and its subsections 9.1, 9.2, 9.3, 9.4, and 9.5, and 10 of Chapter VII to read as follows:

2.2 Department heads are responsible for all University property in their care and for the taking of the inventory on the prescribed record forms.

3.2 As required by statutes, a daily report shall be prepared by the person using the vehicle on the forms approved by the State Auditor and shall be filed within ten days in a central location designated by the Chief Business Officer.

3.5 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.

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

- Fire and Extended Coverage Insurance
- Boiler and Machinery Insurance
- Blanket Position (Fidelity) Bond
- Money and Securities Insurance
- Motor Vehicle Liability Insurance

- State Owned Vehicles

4.3 When it is necessary or advisable to insure risks on a basis other than System-wide, insurance policies covering such risks shall be approved by the Deputy Chancellor for Administration or his delegate on an individual basis upon recommendation by the Chief Business Officer of the component institution affected.

4.4 At the time a loss occurs applicable to either System-wide or individual insurance policies, the Deputy Chancellor for Administration or his delegate shall be notified by the Chief Business Officer, and shall approve all loss claims and settlements. Any settlement over $2,000 and under $10,000 shall be reported to the Board of Regents for ratification. Settlements in the amount of $10,000 or more must have the approval of the Board of Regents.

5.1 Keys to buildings, offices, and other facilities shall be issued to the employee upon authorization by his chairman or administrative official. The Chief Business Officer or his delegate shall have immediate responsibility for handling keys and he shall issue instructions and outline procedures as approved by the Chief Business Officer and the Chief Administrative Officer.

Sec. 6. Safe and Vault Combinations.--The combinations to all vaults and safes used by component institutions shall be filed under seal with the Chief Business Officer.
Sec. 7. Police and Security Officers.

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

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

Sec. 8. Telephones.--The Director of Physical Plant, or the Chief Business Officer, shall be responsible for the installation of telephones and the administration of all telephone facilities. Personal toll calls shall not be charged to institutional telephones. Charges for telephones and toll calls shall be under the supervision of the persons named above.

Sec. 9. Disposal of Property of The University of Texas System.

9.1 Whenever any item of equipment becomes obsolete or useless for the needs and purposes of the department concerned, a written report of such fact shall be made to the Chief Business Officer. Upon receipt of such report, it shall be the responsibility of the Chief Business Officer to determine whether or not such item of equipment is needed by any other department and, if so, to transfer and assign the equipment to such department.

9.2 If the Chief Business Officer shall determine that the equipment is not needed for any department and that it is not practicable to store the equipment for possible future use, he shall proceed to sell the item concerned.

9.3 For items of little value or limited use where sale on competitive bids is not practicable, the Chief Business Officer shall have the authority to dispose of the property on the basis of a negotiated bid in amounts under $1,000.

9.4 Sale of property estimated to bring $1,000 or more shall be made on a basis of competitive bids.

9.5 Sales in amount of $5,000 or more shall be approved in advance by the Deputy Chancellor for Administration and ratified by the Board of Regents through the institutional docket.

Sec. 10. Transfer of Property.--Property may be transferred from one State agency to another when it becomes surplus. Such transfers from one component institution to another, or from a component institution to another State agency shall have the advance approval of the Chief Business Officer concerned and shall be reported to the Chief Administrative Officer. The Chief Business Officer or his delegate shall advise departments and administrative offices as to the procedure to be followed in disposing of or acquiring property by this means.
c. Delete Section 11 and its subsections of Chapter VII.

d. Amend Section 1, subsection 1.1 and its subdivisions 1.11, 1.12, and 1.13, subdivision 1.22 of subsection 1.2, Section 2, Section 3, Section 4 and its subsections 4.1 and 4.2, of Chapter VIII to read as follows:

Sec. 1: New Building Construction Exceeding the Amount of $5,000 Per Project.

1.1 After the Board of Regents approves the construction of new buildings, the procedures shall be as follows:

1.11 The Institutional Building Advisory Committee shall hold necessary hearings and make proper investigations to translate the approved academic program into priorities for new construction, with suggestions as to total project area and function, and make such recommendations to the Chief Administrative Officer.

1.12 The Institutional Building Advisory Committee shall be relieved of further direct responsibility whenever a building contract is awarded, but shall be available for consultation as the building progresses, as requested by the Chief Administrative Officer, the Deputy Chancellor for Administration, or his delegate, and the project architect.

1.13 New projects shall be submitted to the Board of Regents for approval, including proposed funding, upon recommendation of the Chief Administrative Officer, the Deputy Chancellor for Administration, or his delegate, and the Chancellor.

1.22 The Chief Administrative Officer may appoint according to the Institutional Handbook of Operating Procedure an Ad Hoc Project Building Committee composed of but not limited to representatives of the departments or divisions that will occupy the building. The committee shall work with the Office of Facilities Planning and Construction to prepare a detailed program of the needs for each project.

Sec. 2. New Building Construction Involving Less Than $5,000 Per Project.

New construction that involves a total expenditure of $5,000 or less per project may be handled at the component institution. Necessary funds must have been approved through the proper procedure. In each case, the project must have been approved by the Director of Physical Plant, the Chief Business Officer, and the Chief Administrative Officer of the institution involved.

Sec. 3. Minor Repairs and Remodeling and Improvements other than Buildings.

Minor repairs and remodeling of the physical plant and construction of improvements other than buildings involving proposed expenditures of less than $50,000 per project shall be made under the supervision of the Director of Physical Plant and the Chief Business Officer at the component institutions, with the approval of the Chief Administrative Officer, provided that necessary funds have been approved through proper procedure.
Sec. 4. Major Repairs and Remodeling and Improvements other than Buildings.

4.1 Any repair or remodeling project of the Physical Plant and construction of improvements other than buildings involving an estimated expenditure of $50,000 or more shall be deemed a construction project.

4.2 Unless otherwise approved by the Board of Regents, the procedures and regulations pertaining to new building construction shall apply to construction projects.

e. Amend Chapter VIII by adding a new Section 5 as set out below and by renumbering appropriately the two remaining sections and their subsections:

Sec. 5. Professional Services.

Each component institution is authorized to make use of architects, engineers, and other professional services up to a maximum cost of $3,000 with the approval of the Deputy Chancellor for Administration on recommendation of the Chief Business Officer.

f. Amend the new Section 8 (formerly Section 7) and its subsections to read as follows:

Sec. 8. Institutional Building Advisory Committees.

8.1 At each of the component institutions there shall be an institutional building advisory committee.

8.2 The committee shall be appointed by the Chief Administrative Officer in the same manner as other institution-wide committees are appointed.

8.3 The composition of the institutional building advisory committee shall be set forth in the Institutional Handbook of Operating Procedure of each component institution.

8.4 The Deputy Chancellor for Administration, or his delegate, and the Chief Business Officer of the institution shall be ex officio members of such committees.

g. Amend the caption of Section 1 of Chapter IX to read as follows:

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

h. Amend subsection 2.22 and subdivision 2.2311 of Section 2 of Chapter IX to read as follows:

\[2.22 \text{ Corporate Bonds and Obligations: Corporate Bonds must be rated "A" or better by a nationally recognized rating service. Bonds offered by private placement, or which for other reasons are not rated by such agencies, may be purchased if they bear a rating of equivalent quality by the University's Investment Counsel.}\]
REGENTS' RULES AND REGULATIONS, PART TWO: AMENDMENTS TO CHAPTER I, CHAPTER II, CHAPTER III, CHAPTER IV, AND CHAPTER V. --The Regents' Rules and Regulations, Part Two, were amended as follows:

1. Chapter I, subsections 1.3 and 1.4 of Section 1, were deleted and the following substituted in lieu thereof:

1.3 The authority to accept gifts to a component institution is delegated to the Chief Administrative Officer when the gift is to a fund, foundation, or enterprise already approved by the Board of Regents or is a continuation of a series which has been previously approved by the Board. Each Chief Administrative Officer is empowered to accept cash gifts to a component institution of The University of Texas System of $5,000 or less, within the policies of the Board of Regents and Legislature governing the acceptability of gifts, and to deposit such gifts to the appropriate accounts. All gifts (except those described in subsection 1.4 below) shall be reported by the doockets of each component institution as prescribed by the Office of the Board of Regents.

1.4 A quarterly report of such gifts of less than $5,000 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, November 30, February 28, and May 31 of each year. Such reports will summarize gifts of $500 or less showing only total dollars and number of gifts.

2. Chapter I, Section 6, was deleted and the following substituted in lieu thereof:

Sec. 6. General Admission Policy. --The University of Texas System will make maximum use of its resources, subject to the limited enrollment policy of the Board of Regents, to admit and educate as many qualified students as possible, consistent with accreditation standards and consistent with maintaining a high quality of education. Neither the faculty nor students of any component institution will solicit or recruit for admission to that institution any person who cannot meet the usual academic requirements for admission to that institution. Other than for the exceptions set forth in the General Appropriation Act, no funds appropriated by the Legislature, including local institutional funds, may be expended for the recruitment of students, whether qualified or unqualified.
3. Chapter I, Section 8, was deleted and the remaining Section 9 and its subdivisions were renumbered "Section 8, 8.1, 8.2, 8.3, and 8.4" and a new Section 9 was added to read as follows:

Sec. 9. Appropriation Act Riders. -- The University of Texas System will conform to the riders in the current General Appropriation Act.

4. Chapter II, subsections 2.1, 2.2, 2.3, and 2.7 of Section 2, subsections 3.1 and 3.2 of Section 3, subsection 4.1, the heading of subsection 4.2, and subdivision 4.21 of Section 4, and subsection 5.1 of Section 5, were deleted and the following substituted in lieu thereof:

2.1 The financial records of The University of Texas System shall be kept as nearly as practicable in accordance with the recommendations set forth in "College and University Business Administration, Revised Edition," (1968) published by the American Council on Education. Where those recommendations conflict with statutes or with regulations of the Coordinating Board, Texas College and University System, the latter shall be controlling.

2.2 All accounting records and procedures shall be subject to the approval of the Chief Business Officer and the Deputy Chancellor for Administration, or his delegate.

2.3 The business office of each component institution shall be the central office for accounting control for all financial transactions of the institutions. The Chief Business Officer shall confer with departmental and administrative officials and instruct them concerning the records of financial transactions to be kept by the departments, as indicated in the next subsection.

2.7 A person in each department may be designated by the department head, with the approval of the Chief Business Officer, to sign vouchers, requisitions, etc., in his absence. These designations shall expire upon receipt of notification by the accounting office in writing from the department head or upon termination or transfer of the designee from the department.

3.1 The Chief Business Officer is initially responsible for the preaudit of all business transactions as a part of the regular accounting procedures of the business office and consistent with the system of internal control.

3.2 Postauditing shall be regularly performed with formalized audit programs developed by the Chief Business Officer and the System Controller. Each institution is expected to develop an internal audit staff to perform the basic postaudit functions and to augment the work of the System Controller's staff and the State Auditor.

4.1 All financial reports shall be prepared in accordance with the provisions of the statutes, official directives of the Coordinating Board, Texas College and University System, and directives of the Board of Regents, and in conformity with the manual, "College and University Business Administration, Revised Edition," (1968) referred to above. The reports shall be prepared by the Chief Business Officer and approved by the Deputy Chancellor for Administration, or his delegate.
4.2 Two reports, both of which shall be prepared under the direction of the Chief Business Officer and the Deputy Chancellor for Administration, 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 "College and University Business Administration, Revised Edition," (1968), 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 the audit report has been completed.

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 Chief Business Officer and the Chief Administrative Officer and approved by the Deputy Chancellor for Administration.

5. Chapter III, Section 1 and its subsections, Section 2 and its subsections, subdivision 3.12 of subsection 3.1 of Section 3, subsection 4.2 of Section 4, subsection 6.11 and its subdivision 6.21 and subsection 6.21 and its subdivisions 6.22 of Section 6, subsection 10.1 of Section 10, and subsection 12.4 of Section 12, were deleted and the following substituted in lieu thereof:

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

1.1 No department, division, or individual staff member is authorized to receive money in the name of a component institution of The University of Texas System unless authorized by the Chief Business Officer and Chief Administrative Officer.

1.2 An official receipt in the form prescribed by the Chief Business Officer shall be issued to payors for all moneys received unless the Chief Business Officer has specifically authorized exceptions for certain types of collections.

1.3 All moneys received shall be recorded and handled under appropriate internal accounting controls.

1.4 Admission tickets, including complimentary tickets, shall have the price of admission indicated thereon, and all such tickets shall be prenumbered, except for certain events where the section, row, and seat number are shown. Admission tickets and coupon books shall be purchased for delivery to the institutional business office and issued to the department concerned. Unused tickets or books shall be returned along with a prescribed ticket report to the business office within 30 days from the date of the event, and a list showing the names of all persons receiving complimentary tickets shall be a part of the prescribed ticket report.

1.5 All unpaid (including complimentary, free, or discounted) charges for sales or services of auxiliary enterprises, organized activities, or service departments or similar activities shall be reported to and recorded by the Chief Business Officer or his delegate under appropriate internal accounting controls. A list or other documentation showing the authorization and names of all persons receiving complimentary, free, or discounted goods or services and the values thereof shall be furnished the business office within 30 days from the date such goods were issued or such services were rendered by any auxiliary enterprise, organized activity, or service department or similar activity.
Sec. 2. Deposits with Institutional Business Office.

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

2.2 Cash overages or shortages shall be reported to the business office with each deposit. Cash overages are deposited in the business office.

2.3 Petty cash funds shall be provided only on approval of, and by arrangement of, the department with the Chief Business Officer.

3.12 Not less than every seven days, the Chief 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.

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

6.1 Properly approved and fully supported vouchers are the authorization for cash disbursements.

6.11 The Chairman of the Board of Regents or his delegate must approve all vouchers. One of these delegates shall be the Chief Business Officer who shall recommend the other delegates from his staff. Such approval is based upon satisfactory supporting documentation evidencing that goods or services were properly ordered, that the vendor has submitted invoice and certification, and that the goods or services have been received by the institution and are acceptable to the requisitioning department.

6.2 Appropriate internal accounting controls shall be exercised over the vouchering and disbursement procedures.

6.21 To the extent that centralized receiving facilities are available, delivery of all purchased supplies, materials, and equipment should be received at a centralized location under the direction of the Chief Business Officer.

6.22 Vouchers should be prepared centrally in the business offices of those component institutions having centralized receiving operations.

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.

12.4 Deductions for income tax, retirement, social security, and programs authorized by the Board of Regents, such as group insurance, are made where applicable on all payrolls.
6. Chapter III, Section 13, subsection 13.1 was amended to read as follows and subdivisions 13.11, 13.111, and 13.112 were deleted; a new subsection 13.2 and subdivisions 13.21 and 13.22 were added and the remaining subsections and subdivisions in Section 13 were renumbered appropriately; the amended subsection 13.3 was amended by deleting subdivision 13.38 (formerly 13.28); the amended subdivisions 13.421 and 13.471 (formerly 13.321 and 13.371) were amended to read as follows; and Section 14 and its subdivisions and Section 16 were deleted and the following substituted in lieu thereof:

13.1 Approvals of travel shall not be routine or perfunctory, but shall be made only after the Chief Administrative Officer or his authorized representative have carefully examined the purpose and need for each trip with a view to the economic and effective utilization of all travel funds.

13.2 Approvals of travel by the Chief Administrative Officer shall be made only

13.21 When such travel is on state business, which shall include among other purposes, the formal presentation of original research by an employee before a national, international, regional, or state learned society; and

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

13.421 System Administration - Reimbursement for all travel by employees of the System Administration shall be approved either by the Chancellor, the Deputy Chancellor for Administration, the Assistant to the Deputy Chancellor for Administration, or the Director of Accounting or Assistant Director of Accounting of The University of Texas at Austin.

13.471 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. 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.

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

14.1 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.

14.2 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.
14.3 Only authorized persons shall make long distance calls on University business and personal long distance calls shall not be charged to institutional accounts. The installation of all telephone equipment shall be approved in advance by the Chief Business Officer or his delegate.

14.4 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 showing the persons sending each telegram and the person to whom the message was sent shall be attached to the voucher for payment.

14.5 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. 16. Insurance on Money and Securities; Fidelity Bonds.

16.1 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 Deputy Chancellor for Administration shall be notified by the appropriate Chief Business Officer and shall approve all loss claims and settlements. Any settlement over $2,000 and under $10,000 shall be reported to the Board of Regents for ratification. Settlements in the amount of $10,000 or more must have the approval of the Board of Regents. Money and Securities coverage may be combined with the blanket position fidelity bond.

16.2 Fidelity Bonds.

16.21 As approved by the Board of Regents, The University of Texas System shall carry a blanket position (fidelity) bond that shall cover employees of all component institutions. All employees shall be covered in the amount of not less than $5,000 each. For total coverage in excess of $10,000, approval of the State Auditor is necessary.

16.22 The Secretary of State and the State Comptroller of Public Accounts shall be each furnished with an original of the bond.

16.23 The premium for the bond is prorated to the component institutions on the basis of the number of employees covered for which a premium charge is made and the excess coverage thereon.

16.24 At the time a loss occurs, the Deputy Chancellor for Administration or his delegate shall be notified by the Chief Business Officer and shall approve all loss claims and settlements. Any settlement over $2,000 and under $10,000 shall be reported to the Board of Regents for ratification. Settlements in the amount of $10,000 or more must have the approval of the Board of Regents.

16.25 The blanket position fidelity bond coverage may be combined with money and securities coverage.
7. Chapter IV and Chapter V were amended to read as follows:

CHAPTER IV
PURCHASING

Sec. 1. Authority to Obligate Institutional Funds. -- The official purchasing agents of the component institutions shall have sole authority to obligate institutional funds for purchases of supplies, materials, services, and equipment unless otherwise provided in these regulations or otherwise specifically approved by the component Chief Administrative Officer and the 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 First consideration shall be given to the objectives and policies of The University of Texas System and its component institutions.

2.2 Every effort shall be made to obtain the maximum ultimate value for each dollar of expenditure.

2.3 Honesty in sales representation shall be demanded, whether offered through the medium of oral or written statement, an advertisement, or a sample of the product.

2.4 Purchasing agents and their staffs and others authorized by or under these regulations to make purchases shall not accept personal gifts or gratuities that might in any way result in an obligation to individuals or firms seeking business.

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

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

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

Sec. 3. Contacts with the State Board of Control. -- All contact, 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 agent or the Chief Business Officer for other persons to do so.

Sec. 4. Purchases of Supplies and Equipment.

4.1 Unless otherwise provided in these Rules and Regulations or specifically approved by the Board of Regents, the State Purchasing Act of 1957 shall govern the purchasing policies of The University of Texas System.
4.2 Under the provisions of the State Purchasing Act of 1957, purchases of the following items may be made 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 Educational Departments.
(d) Supplies, materials, services, and equipment purchased with gift and grant funds, including contract funds.

Sec. 5. Purchasing Procedures.

5.1 The official purchasing agent of each component institution shall promulgate procedures to facilitate and expedite the purchasing function. Such procedure shall be developed in accordance with sound business practices and applicable state law. Purchasing procedures shall be implemented only after review and approval of the Chief Business Officer.

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

Sec. 6. Space Leases.

6.1 Space leases involving buildings and paid from general budget funds 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 advance approval of the Deputy Chancellor for Administration and subsequent ratification by the Board of Regents, and lease contracts drawn in accordance with such approval shall be signed by the Deputy Chancellor for Administration or his delegate.

6.3 A proposal shall be approved and the lease completed prior to occupancy of any space for office, storage, or other purposes. The proposal must show type of space and purpose of its use, approximate number of square feet, location, whether janitor service and/or utilities will be furnished by the lessor, period of lease, and any other requirements.

Sec. 7. Purchases from Employees. --Purchases are not permitted from any officer or employee of The University of Texas System unless the cost is less than that from any other known source and until approved by the component Chief Administrative Officer, the Chancellor, and the Board of Regents. Details of such transactions shall be reported in the dockets or Minutes of the Board.
CHAPTER V
PERSONNEL

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

1.1 System Personnel Director. The System Personnel Director serves as a staff officer advising the Chancellor through the Deputy Chancellor for Administration.

1.2 The development and coordination of the System-wide Classified Personnel Program.
   1.21 The Classification Plan.
      1.211 Coverage. --The Classified Plan of The 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 Administrative Officer or his delegate of each component institution shall determine the inclusiveness of the Classification Plan within this general definition.
      1.212 Type of Plan. --Uniform use shall be made of the job grading procedure method system of job evaluation. Job descriptions shall be prepared according to the Procedure for Writing Job Specifications provided by the System Personnel Office.
      1.213 Job Titles. --Standardized job titles shall be used for similar job classes common to two or more of the component institutions in order that a particular job title shall describe similar work to the extent possible. Classes unique to a component institution shall have suitable descriptive titles.
      1.214 Job Code. --A uniform job code shall be used to designate job classes.
      1.215 Job Descriptions. --Standardized job descriptions shall be used for similar job titles common to two or more component institutions when practicable.

1.22 The Pay Plan.
   1.221 A uniform system of salary steps providing for an increase of approximately 5 percent, to the nearest dollar, above each preceding step shall be used for all pay plans. All salaries shall be on salary steps, or a fractional part thereof.
   1.222 A 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 appointed to a part-time paid teaching rank shall be paid at the rate applicable to each position.
   1.224 Salary ranges for each job classification shall be dependent upon the competitive labor market situation for each institution and the requirements of the Fair Labor Standards Act.
1.23 The Policies and Rules.
1.231 Each institution shall operate its Classified Personnel Program under a policy statement covering the appointment, compensation, and working conditions of classified employees.
1.232 Formal approval of the policies and rules developed by each institution was obtained from the Board of Regents at the time each program was formally adopted.
1.233 Changes in the policies and rules require the approval of the Chief Administrative Officer or his delegate, the System Personnel Director, and the Deputy Chancellor for Administration.
1.234 Uniform policies shall be followed in providing vacation, sick leave, etc., within the limitations imposed by local operating conditions.

1.24 Approval of additions to and changes in the Classified Personnel Program.
1.241 Formal approval of the Classification Plan and Pay Plan 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 and Pay Plan at each institution involving only deletions of titles, changes in title, and changes in code numbers require the approval of the Chief Administrative Officer or his delegate and the System Personnel Officer.
1.243 Changes in the Classification Plan and Pay Plan involving new titles and changes in pay ranges for existing titles must have approval of the Chief Administrative Officer, the Chief Business Officer, the System Personnel Director, the Deputy Chancellor for Administration, and the Chancellor. In addition, such changes require ratification of the Board of Regents through the institutional docket procedure.

1.25 Institutional Personnel Officer.
1.251 The Chief Business Officer of each institution shall designate an Institutional Personnel Officer to be responsible for the development and operation of the Classified Personnel Program.
1.252 Functional direction and help on technical personnel matters shall be provided each Institutional Personnel Officer by the System Personnel Director.

Sec. 2. General Personnel.

2.1 Leave for Military Duty.
2.11 A leave of absence not to exceed fifteen working days in any one calendar year is granted faculty or staff members who, as members of the National Guard or Official Militia of Texas or members of any of the Reserve Components of the Armed Forces, shall be engaged in authorized training or duty, ordered or authorized by proper authority. During such periods, the employee is absent without loss of efficiency rating, vacation time, or salary, and when relieved from military duty, is restored to the position and status he previously held.
2.12 A leave of absence with full pay shall be provided any employee who is called to active duty with the National Guard by the Governor of Texas. Such leave shall in no way be charged against the employee's vacation or sick leave privileges.
2.13 The Chief Business Officer of each institution may prescribe forms and procedures for such leaves.

2.2 Maternity Leave.
2.21 Upon request, a leave of absence without pay shall be granted to regular monthly salaried employees for maternity reasons. A pregnant employee who wishes to retain her position or comparable position may be granted such leave for a "reasonable period" of time as determined by the individual circumstances of her case with due consideration being given to the well-being of the employee and to the interests of the institution.
2.22 A "reasonable period" is considered to not exceed three months prior to the anticipated delivery date and to not exceed three months after the delivery date, unless the employee presents a written statement from her physician which alters this period of leave of absence.
2.23 A statement encompassing the details of a maternity leave shall be entered in the remarks section of the appropriate Personnel Action Form.
2.24 Accrued sick leave may not be granted in conjunction with Maternity Leave. Also, vacation leave and sick leave do not accrue while on Maternity Leave.
2.25 A replacement may be provided on a temporary basis during the employee's absence.

2.3 Overtime.
2.31 The schedule of activities shall be so organized that employees are not required to work in excess of established work periods except when operating necessities demand it. Any overtime services actually required must have the advance written approval of the Chief Administrative Officer or the Chief Business Officer, or both.
2.32 In order to comply with the Fair Labor Standards Act, those employees in a non-exempt status who are authorized to perform overtime services in excess of forty hours per week shall be reimbursed at the rate of one and one-half times the regular rate.
2.33 Overtime compensation for those employees in an exempt status under the Fair Labor Standards Act shall be determined by the Chief Business Officer of the institution involved.

2.4 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:
2.41 The title to the patent for a discovery or invention by an employee shall belong to the employee subject to the following provisions:
2.411 When total net royalties, or other compensations, are less than $1,000, no payment to The University of Texas System is required.
2.412 When net royalties, or other compensations, amount to more than $1,000 but less than $5,000, 10 percent of the excess of such royalties or other compensations over $1,000 shall be paid to The University of Texas System.
2.413 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 percent on the amount above $1,000 but less than $5,000, and 20 percent on all amounts of $5,000 or more.
2.414 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 Act. --The Rules and Regulations of the Board of Regents are subject to and shall comply with the provisions appearing in the current Appropriation Act, including the following pertaining to personnel:

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

3.2 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 (See Part One, Chapter III, Subsections 15.3 and 19.3).

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

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

4.1 The Texas State Employees Training Act of 1969, Chapter 283, Acts of the 61st Legislature, Regular Session, 1969 (Article 6252-lla, Vernon's Texas Civil Statutes), recognizes that the State Departments and other State Institutions, including The University of Texas System, must develop a more comprehensive Training Program as an integral part of a successful personnel program. The System Personnel Director, as delegated by the Deputy Chancellor for Administration, is responsible for promulgating the necessary policies and procedures for implementation of the State Employees Training Act, consistent with the guidelines already approved by the Governor of the State of Texas and the Regents' rules.

4.2 Through implementation of the State Employees Training Act, the University will provide programs that will greatly benefit most employees. In addition, the use of various types of training programs will also encourage the initiative of young, talented employees and stimulate and motivate less productive employees. Organized training programs will, moreover, help identify those employees who are willing to exercise their initiative and prove their performance and also find the areas where employees are resisting change and improved procedures and programs.

4.3 The following general objectives of the overall training effort will lead to the University's gaining more efficiency and economy in its overall personnel program:

4.31 Developing well trained staffs, both professional and supportive;
4.32 Assisting all employees toward achieving their highest potential usefulness;
4.33 Motivating employees and stimulating a sense of participation and involvement;
4.34 Insuring that The University of Texas System receives a fair return on its investment in training and education.

4.4 The program elements for this general training program are:
4.41 Identifying staff members who need staff development in order to determine the exact kind and scope of program needed;
4.42 Training individuals for current assignments and developing them for future assignments, as a means of improving the quality and quantity of work done;
4.43 Developing all supervisors to enable them to assume and discharge their primary responsibility for the maximum utilization of personnel, the training of their staff members, and the maintenance of sound employee relations;
4.44 Advising and assisting employees with respect to continuing education, and means by which they can improve their usefulness;
4.45 Evaluating all training and education activities to determine whether they have effectively met the needs of The University of Texas System.

4.5 With these objectives and general program elements as a background, four specific training programs are established. The administration and implementation of the following training programs at each component is to be primarily the task and responsibility of the Institutional Personnel Officer, with approval of the Chief Administrative Officer. The System Personnel Director shall have the responsibility of coordinating all training programs through review and approval of training policies promulgated by the component institution.

4.6 College or University Degree Program.
4.61 Definition: This Program will provide graduate or undergraduate level training leading to a degree. Basically, it provides for full-time student enrollment and is to be for selected, qualified employees of The University of Texas System. This program will be provided by the University on the basis of need of the University and to the extent funds are available.
4.62 Objectives: To provide a college or university education for qualified University of Texas System employees specifically required in their area of employment.
4.63 Program Elements: This training is essentially of only one type: to provide full-time student enrollment in a graduate or undergraduate program leading to a degree.
4.64 Administration: Eligibility Requirements
4.641 Selected employees must have necessary academic qualifications to meet all entrance requirements of the college or university where training is provided.
4.642 Degree training must be directly related to an existing job or job series used by The University of Texas System.
4.643 Selected employees must be scheduled for appointment to a job requiring the degree training on completion of schooling.
4.644 Selected employees must have been successfully evaluated as to competence and aptitude for training granted and recommended through the Chief Administrative Officer and approved by the System Personnel Director.
4.645 Selected employees on educational stipend shall be considered as employees on official leave of absence while in student status. Vacation, sick leave, group insurances, and other benefits will be governed under appropriate rules regarding such official leaves of absence.

4.65 Administration: Obligations. Employees who receive financial assistance under this program from The University of Texas System, in completion of either undergraduate or advanced degrees, will be obligated to fulfill the following terms and conditions:

4.651 An agreement to be bound by the rules and regulations contained herein and such other policies, rules, and procedures as may be promulgated by the System Personnel Director applicable to the college degree training program.

4.652 An agreement to return to The University of Texas System as an employee upon graduation and attainment of the degree and to remain in the employment of The University of Texas System for a period of time subsequent to his graduation that is proportionate either to the period of time the employee has received financial assistance to attend college or university or to the amount of financial assistance he has received.

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

4.7 In-Service Training and Education Program.

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

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

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

4.731 Orientation serves the purpose of acquainting the employee to a new job situation. It does not include the development of skills for that particular job situation.

4.732 Basic Training for a Specific Task includes pre-employment and recruit type training involving job knowledge and/or the development of skills required for a specific task. It also includes training in supervisory and managerial skills.
4.733 Advanced In-Service Training includes the development of a higher level of skill, an increase in job knowledge, and instruction in new concepts and changing aspects of job responsibility.

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

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

4.8 Out-of-Agency Staff Development Program.

4.81 Definition: This program is to provide training through workshops, seminars, institutes, training sessions, extension courses, college or university courses (with or without academic credit), and other special programs or activities offered either within or outside the State. Such programs must be of concentrated, precise content and designed to improve the individual’s professional or technical knowledge in the performance of his present or prospective duties and responsibilities. This program is for selected individual staff members and will be provided on the basis of need of the University and to the extent funds are available.

4.82 Objectives: To improve and enhance the individual’s professional and technical knowledge and ability in the performance of his present or prospective duties and responsibilities.

4.83 Program Elements: This program is generally the type that meets the following criteria: relatively short term; specific in content; and presented outside the employing agency.

4.84 Administration: Eligibility Requirements.

4.841 Out-of-Agency Staff Development education and training authorized by The University of Texas System will be conducted primarily for the benefit of The University of Texas System.

4.842 The training and education must be related to the employee’s current or prospective duty assignment during the period of his participation.

4.843 Such training and education must be approved by the Chief Administrative Officer or someone delegated by him on recommendation of the head of the employing department or unit.

4.85 Administration: Obligations. Employees receiving Out-of-Agency Staff Development authorized by The University of Texas System will be obligated to fulfill such terms and conditions as the Chief Administrative Officer may prescribe, compatible with the nature and extent of the training or education.
4.9 Internship Training Program.
4.91 Definition: Internship training is intended to provide the type of learning experience that can be obtained only through actual work experience. Internship programs will normally be of a longer duration than training mentioned under the headings of Out-of-Agency Staff Development and In-Service Training and Education. This training will be provided to those individuals selected under the standards listed below in 4.95, Eligibility Requirements. This training will be provided on the basis of need of the University and to the extent funds are available.
4.92 Objectives: This type of training and education has a broader objective than other types of training in that it serves not only The University of Texas System but also the State of Texas in the following ways:
4.921 It allows The University of Texas System and/or the State of Texas to screen potential employees while simultaneously enjoying an advantageous recruiting position.
4.922 It facilitates the infusion of new people and new ideas into the information interchange which is continually taking place between State government and the University.
4.923 It will allow the University and/or the State to gain trained personnel who can carry a heavier work load in a relatively short period of time.
4.924 Internship programs produce a work product, although this is not the justification for any internship program.
4.93 Program Elements: Type I Internships are those that are within The University of Texas System for Non-Employees of the State.
4.931 Type I Internships are held with The University of Texas System by persons who are not employed by the State or the University.
4.932 Such internships relate to the educational program of the person serving the internship, which suggests that there will be a constant interchange and evaluation between both The University of Texas System and the sponsor of the person’s educational program.
4.933 These internships should be initiated only to the extent that the University can provide a meaningful working role and learning experience.
4.934 Type I Internships are not designed primarily to produce a work product. (Example: The employee of a private data processing equipment firm observing and being trained in the Data Processing Department of a component institution which serves as the training ground.)
4.94 Program Elements: Type II Internship Programs are for the State of Texas and/or University of Texas System employees.
4.941 Type II (a) internships provide for the State of Texas to be the trainee represented by a person in the employ of a state agency other than The University of Texas System. (Example: An employee of another state agency [State Auditor’s Office] serving as an intern trainee with The University of Texas System.)
4.942 Type II (b) internships provide for the State of Texas to be the trainee represented by a person in the employ of The University of Texas System. A Type II (b) internship may be served either within The University of Texas System or with another state agency.
Employees on Type II (b) internship status should be considered as employees of The University of Texas System as they would if they were physically present on the job. (Example: An employee of a University of Texas component serving as an intern trainee at another University of Texas component or with another state agency, i.e., an Accountant from a component Business Office serving as a trainee in the Business Office of another component or in the State Auditor's Office.)

4.943 The primary objective sought by both of the Type II internship programs is for the trainee to gain skills from the training agency and to promote the ability of persons to work with broader situations and more competently in the multi-levels of administration of the State or the University.

4.944 A "No Proselyting" agreement should be secured in both of the Type II internship programs.

4.95 Administration: Eligibility Requirements.

4.951 Internship education and training authorized by The University of Texas System will be conducted primarily for the benefit of The University of Texas System.

4.952 Internship training and education must be approved by the Chief Administrative Officer or someone delegated by him on recommendation of the head of the employing department or unit.

4.96 Administration: Obligations.

4.961 Type I - No obligatory arrangement is required.

4.962 Type II - The following standards should be observed:

4.9621 The need for these programs will vary according to skills required and the availability of pre-employment training within the State of Texas and/or The University of Texas System.

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

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

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

Physical Examination - Chapter III, Sec. 1.7, 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 35b

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 35

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

Retirement and Modified Service - Chapter III, Sec. 31, Page 40

Faculty Development Leaves - Chapter III, Sec. 17, Page 37
REGENTS' RULES AND REGULATIONS, PART TWO: AMENDMENTS TO CHAPTER X, SECTION 11 AND SUBSECTION 11.1 AND ITS SUBDIVISIONS 11.11, 11.12, AND 11.13, AND SUBSECTION 11.2 (ATTORNEY FOR STUDENTS' ASSOCIATION). --Approval was given to amend the Regents' Rules and Regulations, Part Two, by changing Section 11, subsection 11.1 and its subdivisions 11.11, 11.12, and 11.13, and subsection 11.2 to read as set out below. Regent Kilgore voted "NO" stating that he would like to see how the faculty advisory committee to the Student Attorney functions.

Sec. 11. Employment of Attorney by Students' Association or other agency of Student Government

11.1 Any attorney retained in any manner by a Students' Association or other agency of student government at any component institution of The University of Texas System shall not act as counsel of record nor represent any student, faculty member, or staff member, or any group or combination of students, faculty members, or staff members, or System Administration or any component institution of The University of Texas System:

11.11 In any matter that requires an administrative decision to be made by any officer, committee, board, or agency of a component institution of The University of Texas System, The University of Texas System, or the Board of Regents of The University of Texas System.

11.12 At any stage of any criminal proceeding in any federal, state, county, or local court.

11.13 At any stage of any civil proceeding in any federal, state, county, or local court where such proceeding is directly or indirectly against or antagonistic to the interest of The University of Texas System or any component institution thereof, or against or antagonistic to the interests of any person who is sued in his official capacity as an officer of the System or any component institution thereof.

11.2 Any contract or agreement for legal services entered into by a Students' Association or other agency of student government with an attorney whose remuneration will be paid from funds under the control and management of the Board of Regents of The University of Texas System, including funds from student fees, whether mandatory or permissive, is expressly subject to the applicable provisions of the Regents' Rules and Regulations, including, but are not limited to, the foregoing provisions of this Section 11 and the following:

Section 8.8 of Chapter I of Part One;
Section 1.1 of Chapter III of Part One;
Section 1.3 of Chapter III of Part One;
Section 11 of Chapter III of Part One;
Section 5.15 of Chapter VI of Part One; and
Section 5.21 of Chapter VI of Part One.
1970 REGENTS' RULES AND REGULATIONS, PART TWO: AMENDMENTS TO CONFORM TO ADMINISTRATIVE ORGANIZATION CHART EFFECTIVE JANUARY 1, 1971. --The following amendments to the Regents' Rules and Regulations, Part Two, as set out on Pages 44-45, were adopted to be effective January 1, 1971. These amendments conform Part Two of the Regents' Rules and Regulations to the official titles in the administrative structure effective January 1, 1971:

1. Amend Chapter II of Part Two by changing subdivision 1.11 of Section 1, subsection 4.3 of Section 4, subsections 5.2 and 5.3 of Section 5, and subsection 6.2 and its subdivisions 6.21, 6.22, and 6.23 to read as follows:

1.11 General. --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.

4.3 Monthly financial reports, in the form prescribed by the Deputy Chancellor for Administration, 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.

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 System 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 and the Board of Regents.

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 Deputy Chancellor for Administration, the Chancellor and the Board of Regents.

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.

13.2 Authorization for Absence for Staff Members Whose Regular Duties Do Not Require Travel. --Authorization for absence from usual and regular duties, including travel from the city or town where the officer or employee is regularly stationed, will be granted by the Board 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.

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 System Administration shall be approved by the Chancellor.

13.25 Any travel that contemplates reimbursement from funds appropriated by the Legislature for travel expenses incurred must have the advance written approval of the Governor, with the exception of travel to, in, and from the several states, United States possessions, Mexico, and Canada. 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 and 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.

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

13.321 System Administration - Reimbursement for all travel by employees of the System Administration shall be approved either by the Chancellor, the Deputy Chancellor for Administration, or by the Director of Accounting or Assistant Director of Accounting 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:

Chief Administrative Officer (President or Dean) or Chief Business Officer (Vice-President for Business Affairs, Associate Dean for Business Affairs, or Business Manager) or other senior administrative or fiscal officers as may be delegated in writing by the Chief Administrative Officer and the Chief Business Officer. Such delegations shall be approved by the Deputy Chancellor for Administration and filed with the Secretary to the Board of Regents and the State Comptroller of Public Accounts, together with the names of the individuals occupying the positions named.

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.
The Chancellor or heads of component institutions may request commercial transportation companies to furnish required transportation for official business to designated employees of System 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 in detail why each trip listed was necessary in the operation and maintenance of the institution.

When two, three, or four officials or employees of System 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 System 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.

Executive heads of component institutions shall be reimbursed for their actual meals, lodging, and incidental expenses (exclusive of expenses related to automobiles for which transportation is paid) 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. Certain 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. The administrative officers entitled to such reimbursement shall be designated in writing by the Chancellor, and the list of those designated shall be filed with the Secretary to the Board of Regents. 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 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. The administrative officers entitled to such reimbursement shall be designated in writing by the Chancellor upon recommendation of the institutional heads, and the list of those designated shall be filed with the Secretary to the Board of Regents.

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.

3. Amend Chapter IV of Part Two by changing Section 1, subsection 2.4 of Section 2, subsection 3.2 of Section 3, subsection 6.2 of Section 6 and Section 9 to read as follows:

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

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.

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 Deputy Chancellor for Administration or his delegate.

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.

4. Amend Chapter V of Part Two by changing subdivision 1.243 of subsection 1.2, subdivision 1.26, both of Section 1, to read as follows:

1.243 Changes in the Classification Plan, Pay Plan, and the Policies and Rules involving new titles and changes in pay ranges for existing titles must have approval of the executive head of the institution, the System Personnel Director, the Deputy Chancellor for Administration, and the Chancellor. In addition, such changes require ratification of the Board of Regents through the institutional docket procedure.

1.26 System Personnel Director.—The System Personnel Director serves as a staff officer advising the Chancellor through the Deputy Chancellor for Administration on the Classified Personnel programs, Workmen's Compensation insurance, and staff benefits, for each of the component institutions of the System.

5. Amend Chapter VI of Part Two by changing subsection 4.1 of Section 4 to read as follows:

4.1 A System-wide contract is in effect to provide group hospitalization and medical insurance coverage on an optional basis for employees of all component institutions of the University System subject to approval of the System Personnel Director, the Deputy Chancellor for Administration, the Chancellor, and the Board of Regents.

6. Amend Chapter VII of Part Two by changing subsections 4.2 and 4.4 of Section 4 to read as follows:

4.2 The terms of the policies covering the risks indicated above are negotiated by the Deputy Chancellor for Administration or his delegate in accordance with procedures approved by the Chancellor and the Board of Regents.
4.4 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.

7. Amend Chapter VIII of Part Two by changing subdivisions 1.13, 1.24, and 1.26 of Section 1 to read as follows:

1.13 New projects shall be submitted to the Board of Regents for approval, including proposed funding, upon recommendation of the institutional head, the Deputy Chancellor for Administration, or his delegate, and the Chancellor.

1.24 The project architect shall be given the detailed program and will work in conjunction with the Office of Facilities Planning and Construction to prepare preliminary plans, exterior design, outline specifications, cost estimates, etc., which shall be submitted to the Board of Regents for approval upon the recommendation of the institutional head, the Deputy Chancellor for Administration, or his delegate, and the Chancellor.

1.26 The final working drawings and specifications shall be submitted to the Board of Regents for approval upon the recommendation of the institutional head, the Deputy Chancellor for Administration, or his delegate, and the Chancellor.

8. Amend Chapter X of Part Two by changing Sections 4 and 6 and subsections 8.1 and 8.4 of Section 8, subsections 9.5, 9.7, 9.9, and 9.10 of Section 9, and subsection 10.1 of Section 10 to read as follows:

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. 6. The money values of meals, lodging, and other services the employees are authorized to receive in lieu of additional wages or salary, are recommended to the institutional head by the chief business officer and approved by the Chancellor and the Board of Regents.

8.1 At least eighteen copies of the minutes of all meetings of the Board of Directors of Texas Student Publications, Inc., shall be delivered promptly to the President of The University of Texas at Austin for distribution to the Chancellor, the Vice-Chancellor for Academic Affairs, the members of the Board of Regents, the Secretary to the Board of Regents, and such members of the U. T. Austin administration as the President of Texas Student Publications, Inc., shall have any force or effect until it has been 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 to 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 year, prepared by a certified public accountant selected by the Board of Directors of Texas Student Publications, Inc.

9.5 At least eighteen copies of the minutes of all meetings of the Board of Directors and the Executive Committee shall be delivered promptly to the President of The University of Texas at Austin for distribution to the Chancellor, the Vice-Chancellor for Academic Affairs, the members of the Board of Regents, the Secretary to the Board of Regents, and such other members of the U. T. Austin administration as the President of The University of Texas at Austin may direct. No budget or budget amendment adopted by the Board of Directors of the Texas Union, or of any committee or subcommittee of such Board, shall have any force or effect until such budget or budget amendment has been approved by the Board of Regents.

9.7 Within ninety days following the close of each fiscal year of the Texas Union, there shall be furnished to the President of The University of Texas at Austin for distribution to the Chancellor, to the members of the Board of Regents, to the Secretary to the Board of Regents, and to such other members of the administration as the President of The University of Texas at Austin may direct, at least 15 copies of a complete audit of the fiscal affairs of the Texas Union during the preceding fiscal year.

9.9 The Union Director shall serve as chief executive official in the Union Building. The Board of Directors of the Texas Union shall recommend annually on June 1 through the President of The University of Texas at Austin to the Chancellor and the Board of Regents the appointment of the Union Director. His term of service shall extend from September 1 through the following August 31. The Union Director shall have the responsibility for the day-to-day operation of the Union Building and its program of activities. He shall be charged with coordinating the various functions of the Building and the interests of the various groups served by the Building. The Union Director shall recommend for appointment, and with the approval of the Board of Directors of the Texas Union, shall employ all subordinate employees. He shall supervise and direct their work. The Union Director shall be a member of all committees without vote. On May 1 annually he shall make a complete report to the Board of Directors of the Texas Union covering the activities in the Union Building. The report shall be transmitted through the President of The University of Texas at Austin to the Chancellor, to the Board of Regents, to the Secretary to the Board of Regents, and to such other members of the administration as the President of The University of Texas at Austin may direct. The Union Director shall perform such additional services as may be required by the Board of Directors and approved by the Board of Regents.

- 101 -
9. 10 While various parts and facilities of the Union Building are reserved primarily for the general use of students and faculty, provision is made by extending the use of portions of the Building to special groups for their exclusive use when this can be done in such manner as not to interfere with the regular program of the Union, and in such cases a rental price may be charged. However, when persons, groups, or organizations officially designated by the President of The University of Texas at Austin, by the Chancellor, or by the Board of Regents as guests of the University desire to use the facilities of the Union, such privilege shall be granted and shall be granted without cost to the guest group. It is understood, of course, that all requests for the use of the facilities of the Union shall be subject to the principle that prior reservations will be respected, and for that reason requests for the use of the Building or any part of it should be made as early as possible.

10. 1 At least eighteen copies of the minutes of all meetings of the Athletics Council at The University of Texas at Austin shall be delivered promptly to the President of The University of Texas at Austin for distribution to the Chancellor, the Vice-Chancellor for Academic Affairs, the members of the Board of Regents, the Secretary to the Board of Regents, and such other members of the U. T. Austin administration as the President of The University of Texas at Austin may direct.

9. Amend Chapter XI of Part Two by changing Section 1 to read as follows:

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.
REGENTS' RULES AND REGULATIONS, PART TWO: AMENDMENT TO CHAPTER I, SECTION 5, POLICY AGAINST DISCRIMINATION. --Part Two of the Regents' Rules and Regulations, Chapter I, Section 5 was amended to read as follows:

Sec. 5 Policy Against Discrimination. --With respect to the admission and education of students, with respect to the employment and promotion of teaching and nonteaching 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, color, or sex.

REGENTS' RULES AND REGULATIONS, PART TWO: AMENDMENTS TO CHAPTER X, SUBSECTIONS 8.1, 9.5, 9.11, 10.1, AND 10.2. --The proposed amendments to subsections 8.1, 9.5, 9.11, 10.1, and 10.2 were referred back to President ad interim Jordan for further study and recommendation. Chairman Erwin voted "No".

REGENTS' RULES AND REGULATIONS, PART TWO: AMENDMENT TO CHAPTER X, SUBSECTION 11.1 AND SUBDIVISION 11.11 (ATTORNEY FOR STUDENTS' ASSOCIATION). --Of the Regents' Rules and Regulations, Part Two, Chapter X, subsection 11.1 and subdivision 11.11 of Section 11 were amended to read as follows:

11.1 Any attorney employed in whole or in part by the Students' Association of The University of Texas at Austin shall not act as counsel of record nor represent any student, group of students, proposed student organization, student organization, faculty member, or staff member of the System Administration or any component institution of The University of Texas System:

11.11 In any matter that requires an administrative decision to be made by any officer, committee, board, or agency of a component institution of The University of Texas System, The University of Texas System, or the Board of Regents of The University of Texas System.

This item was not listed on the Agenda and will be resubmitted at the January 29, 1971, meeting for ratification.
Chairman Erwin filed the following report of the actions of the Committee of the Whole which were adopted without objection upon motion of Vice-Chairman Josey, seconded by Regent Williams:

REGENTS' RULES AND REGULATIONS, PART TWO: AMENDMENTS TO CHAPTER IX. --Chapter IX of the Regents' Rules and Regulations, Part Two, was amended to be effective immediately as follows:

1. Subsections 1.1, 1.2, 1.4, and 1.5 of Section 1 were amended to read as follows:

1.1 Authority to Sell, Assign, and Transfer Securities Held by the Permanent University Fund. --The Associate Deputy Chancellor for Investments, Trusts and Lands (or any Trust 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, whatever, 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 Associate Deputy Chancellor for Investments, Trusts and Lands and/or any Trust 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, whatever, registered in the name of the Board of Regents of The University of Texas System (formerly the 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.

1.4 Authority to Receive and Collect Money and/or Property. --The Associate Deputy Chancellor for Investments, Trusts and Lands and/or any Trust 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, whatever, due, payable, or belonging, or that may become due, payable, or belonging to any of the above funds, from any person or persons, whatever, and to execute any and all necessary or proper receipts, releases, and discharges therefor.
1.5 Authority to Execute Proxies. --The Associate Deputy Chancellor for Investments, Trusts and Lands and/or any Trust Officer are each authorized to execute proxies within the approved investment policies.

2. Subdivision 2.233 of Section 2 was amended to read as follows:

2.233 Implementation of FHA Mortgage Loan Purchase program: The Associate Deputy Chancellor for Investments, Trusts and Lands and/or any Trust Officer, are each authorized

3. Subsection 5.1 of Section 5 was amended to read as follows:

5.1 Membership. --The Staff Investment Committee shall consist of the Associate Deputy Chancellor for Investments, Trusts and Lands, the Trust Officers, the Investment Officer, the Mortgage and Real Estate Officer, and such other members as may be designated from time to time by the Associate Deputy Chancellor for Investments, Trusts and Lands.