

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

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[PART ONE](#) and [PART TWO](#) are combined.

Any Part, Chapter, Section, or Subsection may be accessed by links in the Table of Contents.

TABLE OF CONTENTS

[PART ONE, CHAPTER I](#)

[BOARD OF REGENTS](#)

[Sec. 1. Authority](#)

- [1.1 Application of Rules and Regulations](#)
- [1.2 Repeal of Existing Rules in Conflict Herewith](#)
- [1.3 Amendment of Rules and Regulations](#)

[Sec. 2. Composition](#)

[Sec. 3. Chairman of the Board](#)

- [3.1 Election of Chairman](#)
- [3.2 Duties of the Chairman \*\(last amended 5/8/03\)\*](#)

[Sec. 4. Vice-Chairmen of the Board](#)

[Sec. 5. Officers in the Office of the Board of Regents](#)

- [5.1 Counsel and Secretary to the Board](#)
- [5.2 Appointment](#)
- [5.3 Duties and Responsibilities](#)
- [5.4 Assistant Secretary to the Board](#)

[Sec. 6. Meetings of the Board and Standing Committees of the Board \*\(last amended 5/8/03\)\*](#)

- [6.1 Regular Meetings of the Board](#)
- [6.2 Special Meetings of the Board](#)
- [6.3 Regular Meetings of Standing Committees](#)
- [6.4 Special Meetings of Standing Committees](#)
- [6.5 Official Business](#)

[Sec. 7. Committees and Other Appointments](#)

- [7.1 Standing Committees \*\(last amended 5/8/03\)\*](#)
- [7.2 Board for Lease of University Lands \*\(editorially amended 9/04\)\*](#)
- [7.3 The University of Texas Investment Management Company \(UTIMCO\) \*\(last amended 9/28/04\)\*](#)
- [7.4 Texas Growth Fund](#)
- [7.5 M. D. Anderson Services Corporation \*\(added 5/8/03\)\*](#)

[Sec. 8. Procedure](#)

- [8.1 Importance of Attendance at Board and Committee Meetings](#)
- [8.2 Rules of Order](#)
- [8.3 Order of Business \*\(last amended 5/8/03\)\*](#)
- [8.4 Open and Closed Meetings](#)
- [8.5 Matters to be Referred to Committees](#)
- [8.6 Communications by and to the Board \*\(last amended 5/8/03\)\*](#)
- [8.7 Report to Press on Actions of Board](#)

- [8.8 Political and Controversial Matters](#)
- [Sec. 9. Delegation to Act on Behalf of the Board](#)
  - [9.1 Items Requiring Board Approval](#)
  - [9.2 Delegation of Authority to Execute and Deliver Contracts, Agreements, and Documents \(\*last amended 2/4/04\*\)](#)
  - [9.3 Prior Approval and Reporting](#)
  - [9.4 Actions of the Board as Trustee](#)
  - [9.5 Delegation of Authority Related to Charter School Operations](#)
  - [9.6 Delegation of Authority to the Executive Committee](#)
  - [9.7 Exceptions](#)
- [Sec. 10. Policies](#)
  - [10.1 Compliance with Ethics Policy](#)
  - [10.2 Policy Against Discrimination](#)
  - [10.3 Regental Policies](#)
- [Sec. 11. Guidelines for the Santa Rita Award \(\*added 11/13/02\*\)](#)

## [PART ONE, CHAPTER II](#)

### [ADMINISTRATION](#)

- [Sec. 1. System Administration](#)
- [Sec. 2. Board's Exercise of Authority](#)
- [Sec. 3. Chancellor \(\*last amended 11/13/02\*\)](#)
  - [3.1 Appointment](#)
  - [3.2 Primary Duties and Responsibilities of the Chancellor \(\*last amended 8/12/04\*\)](#)
  - [3.3 Audit](#)
  - [3.4 Compliance \(\*last amended 8/7/03\*\)](#)
- [Sec. 4. Executive Vice Chancellor for Academic Affairs](#)
  - [4.1 Appointment \(\*last amended 11/13/02\*\)](#)
  - [4.2 Duties and Responsibilities](#)
- [Sec. 5. Executive Vice Chancellor for Business Affairs \(\*editorially amended 9/04\*\)](#)
  - [5.1 Appointment \(\*last amended 11/13/02\*\)](#)
  - [5.2 Duties and Responsibilities \(\*last amended 8/7/03\*\) \(\*editorially amended 11/03 and 9/04\*\)](#)
- [Sec. 6. Executive Vice Chancellor for Health Affairs \(\*editorial renumbering 9/04\*\)](#)
  - [5.1 Appointment \(\*last amended 11/13/02\*\)](#)
  - [5.2 Duties and Responsibilities](#)
- [Sec. 7. Vice Chancellor for Administration \(\*added 11/13/02\*\) \(\*editorial renumbering 9/04\*\)](#)
  - [7.1 Appointment](#)
  - [7.2 Duties and Responsibilities](#)
- [Sec. 8. Vice Chancellor for Community Relations \(\*editorial renumbering 12/02\*\)](#)
  - [8.1 Appointment \(\*last amended 11/13/02\*\)](#)
  - [8.2 Duties and Responsibilities](#)
- [Sec. 9. Vice Chancellor for External Relations \(\*editorially amended 11/03\*\)](#)
  - [9.1 Appointment \(\*last amended 11/13/02\*\)](#)
  - [9.2 Duties and Responsibilities \(\*editorially amended 9/04\*\)](#)
- [Sec. 10. Vice Chancellor for Educational System Alignment \(\*added 2/13/03\*\)](#)
  - [10.1 Appointment and Termination](#)
  - [10.2 Duties and Responsibilities](#)
- [Sec. 11. Vice Chancellor for Federal Relations \(\*editorial renumbering 2/03\*\)](#)
  - [11.1 Appointment \(\*last amended 11/13/02\*\)](#)
  - [11.2 Duties and Responsibilities](#)
- [Sec. 12. Vice Chancellor and General Counsel \(\*editorial renumbering 2/03\*\)](#)
  - [12.1 Appointment \(\*last amended 11/13/02\*\)](#)
  - [12.2 Duties and Responsibilities \(\*last amended 8/12/04\*\)](#)
- [Sec. 13. Vice Chancellor for Governmental Relations and Policy \(\*last amended 2/13/03\*\)](#)
  - [13.1 Appointment](#)

- [13.2 Duties and Responsibilities](#)
- [Sec. 14. Vice Chancellor for Health Affairs \(\*editorial renumbering 2/03\*\)](#)
  - [14.1 Appointment \(\*last amended 11/13/02\*\)](#)
  - [14.2 Duties and Responsibilities](#)
- [Sec. 15. Vice Chancellor for Research and Technology Transfer \(\*added 2/13/03\*\)](#)
  - [15.1 Appointment](#)
  - [15.2 Duties and Responsibilities](#)
- [Sec. 16. Vice Chancellor for Special Engineering Programs \(\*editorial renumbering 2/03\*\)](#)
  - [16.1 Appointment \(\*last amended 11/13/02\*\)](#)
  - [16.2 Duties and Responsibilities](#)
- [Sec. 17. Officers of System Administration and Other Code 1000 Staff \(\*editorial renumbering 2/03\*\)](#)
  - [17.1 Executive Officers \(\*editorially amended 11/03 and 9/04\*\)](#)
  - [17.2 Other Code 1000 Staff and Officers of System Administration](#)
- [Sec. 18. Councils of the System \(\*editorial renumbering 2/03\*\)](#)
  - [18.1 The System Council](#)
  - [18.2 The Council of Academic Institutions](#)
  - [18.3 The Council of Health Institutions](#)
  - [18.4 The Business Management Council \(\*editorially amended 9/03 and 9/04\*\)](#)
- [Sec. 19. Presidents of Component Institutions \(\*editorial renumbering 2/03\*\)](#)
  - [19.1 Selection](#)
  - [19.2 Reporting](#)
  - [19.3 Term and Removal from Office](#)
  - [19.4 Duties and Responsibilities](#)
- [Sec. 20. Appointment of Other Officers and Staff \(\*editorial renumbering 2/03\*\)](#)
  - [20.1 Delegation of Certain Institutional Appointments](#)
  - [20.2 Additional Delegation](#)
  - [20.3 Faculty and Student Consultation](#)
- [Sec. 21. Honorary Titles \(\*editorial renumbering 2/03\*\)](#)
- [Sec. 22. Honorary Degrees \(\*editorial renumbering 2/03\*\)](#)

## [PART ONE, CHAPTER III](#)

### [PERSONNEL](#)

- [Sec. 1. Appointments](#)
  - [1.1 Board Authority and Delegation](#)
  - [1.2 Appointments Based on Merit](#)
  - [1.3 Review of Qualifications](#)
  - [1.4 Exemplary Qualifications Required](#)
  - [1.5 No Religious Qualification](#)
  - [1.6 Appointment of Faculty \(\*last amended 5/13/2004\*\)](#)
- [Sec. 2. Discipline and Dismissal Policy](#)
- [Sec. 3. Grievance Policy](#)
- [Sec. 4. Ethics Policy](#)
  - [4.1 Prohibition on Certain Gifts](#)
  - [4.2 Prohibition on Benefits in Exchange for Exercises of Powers or Duties](#)
  - [4.3 Limits on Employment and Certain Activities](#)
  - [4.4 Disclosure of Confidential Information](#)
  - [4.5 Prohibition on Self-Interest](#)
  - [4.6 Limits on Personal Investments](#)
  - [4.7 Independent Judgment Required](#)
  - [4.8 Sexual Harassment and Misconduct](#)
- [Sec. 5. Appointment of Relatives \(Nepotism Rule\)](#)
  - [5.1 Limits on Employment](#)
  - [5.2 Additional Limits on Employment](#)
- [Sec. 6. Tenure, Promotion, and Termination of Employment](#)

- [6.1 Authority of Board to Remove Employees](#)
- [6.2 Tenure and Tenured Titles \(\*editorial amendment 9/03\*\)](#)
- [6.3 Termination of a Faculty Member](#)
- [6.4 Required Compliance with Laws \(\*editorial 3/03\*\)](#)
- [6.5 Prohibition on Disruptive Activity](#)
- [6.6 Standards of Conduct](#)
- [6.7 Notice for Nonrenewal of Nontenured Faculty](#)
- [6.8 Notice for Faculty on Term Tenure](#)
- [6.9 Tenure and Reappointment Only Effective by Notice](#)
- [6.\(10\) Current Mailing Address Required](#)
- [6.\(11\) Abandonment of Academic Positions or Programs](#)
- [6.\(12\) Procedures for Financial Exigency](#)
- [Sec. 7. Rights and Responsibilities of Faculty Members as Citizens and as Teachers](#)
  - [7.1 Freedom in Research and Publication](#)
  - [7.2 Freedom in the Classroom](#)
  - [7.3 Special Obligations](#)
- [Sec. 8. The Greater Duties of a Member of the Teaching Staff](#)
  - [8.1 List of Duties](#)
  - [8.2 Performance Valued](#)
  - [8.3 Duty to Cooperate with the Board](#)
- [Sec. 9. Acquaintance with, Conformity to, Availability and Improvement of Regulations](#)
  - [9.1 Conformance to Rules and Regulations by Faculty](#)
  - [9.2 Duty to Recommend Desirable Changes](#)
- [Sec. 10. Communications, Appeals, and Hearings](#)
  - [10.1 Right to Propose Changes](#)
  - [10.2 Rights of Voting Faculty](#)
- [Sec. 11. Communications with the Legislature and Other State Agencies or Officials](#)
- [Sec. 12. Office Hours](#)
- [Sec. 13. Outside Employment, Service on Outside Boards, and Nonelective Positions of Honor, Profit, or Trust \(\*last amended 11/13/02\*\)](#)
  - [13.1 Consultative or Advisory Activities](#)
  - [13.2 Limits on Outside Employment](#)
  - [13.3 Obligation to Furnish Expert Knowledge and Counsel](#)
  - [13.4 Use of Stationery Prohibited](#)
  - [13.5 No Use of Professional Opinions for Advertising](#)
  - [13.6 Advance Approval for Certain Activities](#)
  - [13.7 Approval of Outside Employment](#)
  - [13.8 Nonelective Offices or Positions](#)
  - [13.9 Required Docket Findings](#)
  - [13.\(10\) Service on Outside Boards](#)
- [Sec. 14. Holidays \(\*editorially amended 9/03, 5/04, and 9/04\*\)](#)
- [Sec. 15. Vacation](#)
  - [15.1 Faculty Vacations as Provided by State Law](#)
  - [15.2 Lump Sum Payment for All Vacation Leave](#)
  - [15.3 Accumulated Vacation Leave Payable to Employee's Estate](#)
- [Sec. 16. Leaves of Absence Without Pay](#)
  - [16.1 Approval Requirements](#)
  - [16.2 Maximum Period for Leave](#)
  - [16.3 Second Year of Leave](#)
  - [16.4 Third Year of Leave](#)
  - [16.5 Availability of Additional Leave](#)
  - [16.6 Exhaustion of Accumulated Paid Leave](#)
  - [16.7 Application of Family and Medical Leave](#)
- [Sec. 17. Faculty Development Leaves](#)
- [Sec. 18. Parental Leave](#)

- [Sec. 19. Sick Leave](#)
  - [19.1 State Law Requirements](#)
  - [19.2 Continuation of Usual Duties](#)
  - [19.3 Estate Paid for Accumulated Sick Leave](#)
- [Sec. 20. Leave for Jury Duty](#)
- [Sec. 21. Leave for Military Duty](#)
- [Sec. 22. Family and Medical Leave](#)
- [Sec. 23. Absence from Usual and Regular Duties](#)
  - [23.1 Conditions for Approved Absence](#)
  - [23.2 Institutional Regulations](#)
- [Sec. 24. Compensation for Correspondence and Extension Teaching](#)
- [Sec. 25. Textbooks and Other Materials Prescribed for the Use of Students](#)
  - [25.1 Board Policy Requirement](#)
  - [25.2 Change in Textbook](#)
  - [25.3 Faculty Authored Materials](#)
- [Sec. 26. Sectarian Courses Prohibited](#)
- [Sec. 27. Acceptance of Money from Students](#)
  - [27.1 Prohibition on Collection of Fees or Sales to Students](#)
  - [27.2 No Pay for Extra Instruction by Certain Faculty](#)
  - [27.3 Acceptance of Pay for Instruction by Teaching Assistants](#)
- [Sec. 28. Power to Authorize Expenditures From System Funds](#)
  - [28.1 Limits on Expenditure](#)
  - [28.2 Unauthorized Payment Claims](#)
- [Sec. 29. Indebtedness to the System or the State](#)
- [Sec. 30. Power to Bind the System in Fixing its Policies](#)
- [Sec. 31. Institutional Control and Administration of Contracts and Grants](#)
- [Sec. 32. Institutional Employees as Students](#)
- [Sec. 33. Retirement and Modified Service \(\*last amended 11/13/02\*\)](#)
  - [33.1 Mandatory Retirement](#)
  - [33.2 Appointment of Retired Person](#)
  - [33.3 Finding of Best Interest Required](#)
  - [33.4 Terms of Appointment to Modified Service](#)
- [Sec. 34. Faculty and Staff Organizations](#)
  - [34.1 Procedures for Registration](#)
  - [34.2 Suspension or Revocation of Registered Status](#)
  - [34.3 Membership Not Restricted](#)
  - [34.4 Application for Registration](#)
  - [34.5 Prohibition on Use of University Name and Seal](#)
  - [34.6 Violation of Rules](#)
- [Sec. 35. Political Activities](#)
- [Sec. 36. Minimum Faculty Academic Workload Requirements for General Academic Institutions](#)
  - [36.1 Teaching Equivalencies](#)
  - [36.2 Other Equivalencies](#)
  - [36.3 Compliance](#)
- [Sec. 37. U. T. System Employee Evaluation Policies](#)
  - [37.1 Annual Evaluation of All Employees](#)
  - [37.2 Evaluation of Probationary Employees](#)
  - [37.3 U. T. System Guidelines for Periodic Performance Evaluation of Tenured Faculty](#)
  - [37.4 Evaluation of Administrators](#)
- [Sec. 38. Employee Advisory Council \(\*editorially amended 9/03 and 9/04\*\)](#)
- [Sec. 39. Authorization to Travel](#)
  - [39.1 Reference to Part Two](#)
  - [39.2 Required Permission for Absence](#)

## [PART ONE, CHAPTER IV](#)

## FACULTY ORGANIZATION

### Sec. 1. Educational Policy

#### 1.1 Institutions of the "First Class"

#### 1.2 Advice from Institutional Faculty

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

#### 2.1 General Authority

#### 2.2 Necessity of Approval by Regents

#### 2.3 When Legislation is Effective

#### 2.4 Approval of Degree Candidates

#### 2.5 List of Degree Candidates in Minutes

#### 2.6 Changes in Degree Requirements

#### 2.7 Faculty Minutes

### Sec. 3. Faculty Advisory Council

## PART ONE, CHAPTER V

### GRADUATE EDUCATION IN THE UNIVERSITY OF TEXAS SYSTEM

#### Sec. 1. Authorization and Definition

#### Sec. 2. Requirements

#### Sec. 3. Administration

##### 3.1 Graduate School of Biomedical Sciences

##### 3.2 Nursing Schools

##### 3.3 U. T. M. D. Anderson Cancer Center

#### Sec. 4. Required Approvals

#### Sec. 5. Policies and Procedures

#### Sec. 6. Joint or Cooperative Degree Programs

## PART ONE, CHAPTER VI

### STUDENT SERVICES AND ACTIVITIES AND REGULATIONS ON FACILITIES USE

#### Sec. 1. General Provisions

##### 1.1 Implementation

##### 1.2 Institutional Officer

##### 1.3 Delegation of Authority

##### 1.4 Chief Student Affairs Officer

##### 1.5 Petition to the Board on Certain Policies

##### 1.6 Student Advisory Council

#### Sec. 2. Definitions

##### 2.1 Student

##### 2.2 Campus

##### 2.3 Hearing Officer

##### 2.4 Weekday

##### 2.5 Day

#### Sec. 3. Student Conduct and Discipline

##### 3.1 Institutional Rules

##### 3.2 Standards of Conduct

##### 3.3 Bar from Campus

##### 3.4 Disciplinary Process

##### 3.5 Hearing Process

##### 3.6 Penalties

##### 3.7 Appeal Procedures

##### 3.8 Disciplinary Record

#### Sec. 4. Student Organizations

##### 4.1 Registration Procedures

##### 4.2 Faculty or Staff Advisers

- [4.3 Limitation on Representations](#)
- [4.4 Participation](#)
- [4.5 Oversight of Programs](#)
- [4.6 Disciplinary Action](#)
- [4.7 Conditions for Registration](#)
- [4.8 Limit on Registration \(\*last amended 12/13/02\*\)](#)
- [4.9 Application for Reregistration](#)
- [Sec. 5. Participation in Student Government](#)
  - [5.1 Students' Associations](#)
  - [5.2 Student Opinion](#)
- [Sec. 6. Use of University Facilities](#)
  - [6.1 Category of Property](#)
  - [6.2 Authorized Users](#)
  - [6.3 Identification Required](#)
  - [6.4 Protection of Artificial Bodies of Water, and Other Property](#)
  - [6.5 Alcoholic Beverages](#)
  - [6.6 Solicitation \(\*last amended 11/13/03\*\) \[\*editorially amended at \(w\) 9/04\*\]](#)
  - [6.7 Use of Property, Buildings, or Facilities by Students' Associations; Registered Student, Faculty, or Staff Organizations; or Officially Recognized Alumni Associations \(\*last amended 12/13/02\*\)](#)
  - [6.8 Student Center or Student Union](#)
  - [6.9 Joint Sponsorship of the Use of Property, Buildings, or Facilities](#)
  - [6.\(10\) Special Use Facilities \(\*last amended 11/13/03\*\)](#)
  - [6.\(11\) Filming Motion Pictures or Television Productions \(\*last amended 9/8/03\*\)](#)
  - [6.\(12\) Use of the U. T. TeleCampus Internet website](#)
  - [6.\(13\) Animals on Campus](#)
  - [6.\(14\) Use of Facilities for Weddings \(\*added 5/8/03\*\)](#)
- [Sec. 7. Speech and Assembly \(\*last amended 12/13/02\*\)](#)
  - [7.1 Regulations](#)
  - [7.2 Off-Campus Speakers](#)
- [Sec. 8. General Admission Policy](#)
- [Sec. 9. Assessment, Collection, and Waiver of Tuition and Fees \(\*editorially renumbered 12/02\*\)](#)
  - [9.1 Exemptions and Waivers](#)
  - [9.2 Approval of Certain Fee Changes](#)
  - [9.3 Approval of Changes in Laboratory and Supplemental Fees](#)
  - [9.4 Approval to Collect Payment of Tuition, Fees, and Other Charges](#)
- [Sec. 10. Off-Campus Student Housing \(\*editorially renumbered 12/02\*\)](#)
- [Sec. 11. University Policy in Regard to Debts of Students \(\*editorially renumbered 12/02\*\)](#)
  - [11.1 Student Responsibilities](#)
  - [11.2 Penalties for Nonpayment](#)
- [Sec. 12. Anonymous Publications \(\*editorially renumbered 12/02\*\)](#)
- [Sec. 13. Negotiations Related to Disruptive Activities Prohibited \(\*editorially renumbered 12/02\*\)](#)

## PART ONE, CHAPTER VII

### PRIVATE SECTOR SUPPORT

- [Sec. 1. Gifts to The University of Texas System \(\*editorially amended 11/03\*\)](#)
  - [1.1 Authority to Accept Gifts and Development of Gift Acceptance Procedures](#)
  - [1.2 Conformance to System Policies](#)
  - [1.3 Gifts Not Administered by Office of External Relations](#)
  - [1.4 Certain Gifts of Real Property \(\*editorially amended 9/04\*\)](#)
  - [1.5 Gifts Administered by Office of External Relations](#)
  - [1.6 Delegation of Certain Actions](#)
  - [1.7 Internal Revenue Service Forms for Gifts Accepted by the Board or President](#)
  - [1.8 Internal Revenue Service Forms for Gifts Administered by the Office of Development and](#)

Gift Planning Services (editorially amended 9/03 and 9/04)

1.9 Internal Revenue Service Forms for Real Property Gifts (editorially amended 9/03 and 9/04)

1.(10) Gifts Report

1.(11) Nonconforming Gifts

1.(12) Gifts to Establish Endowments

1.(13) Administration of Gift to Benefit Individual

1.(14) Conduct Related to Gifts (editorially amended 9/04)

Sec. 2. Fellowships, Scholarships, and Loan Funds

2.1 Administration

2.2 Selection of Scholarship and Fellowship Recipients, Notice of Award, and Payment

2.3 Loan Fund Process

Sec. 3. Endowed Academic Positions

3.1 Approval Prior to Commitment or Announcement

3.2 Categories and Minimum Funding Levels (editorially amended 11/03)

3.3 Distinguished University Chairs, Distinguished Chairs, Chairs, Distinguished Professorships, and Professorships

3.4 Endowed Fellowships

Sec. 4. System Private-Fund Development

4.1 Responsibilities of the Board

4.2 Responsibilities of the Chancellor

Sec. 5. Development Board of a Component Institution

5.1 Authorization

5.2 Responsibilities and Duties

5.3 Composition and Operation of a Component Institution Development Board (editorially amended 11/03)

5.4 General Policies of the Component Institution Development Boards

5.5 Special Campaigns

5.6 Activities by Ex-Students' Associations

5.7 Executive Office of a Component Institution Development Board

5.8 Finances

Sec. 6. Advisory Councils of a Component Institution

6.1 Establishment and Organization

6.2 Duties and Responsibilities

6.3 Associated Internal Foundations

Sec. 7. Internal Foundations

7.1 Definition

7.2 Policies on Initiation and Operation

7.3 Establishment

Sec. 8. Internal Corporations

8.1 Definition

8.2 Management

8.3 List of Authorized Internal Corporations

Sec. 9. External Nonprofit Corporations

Sec. 10. Conflict of Interest, Performance of Services, and Use of University Facilities

10.1 External Entities

10.2 No Service as Agent for Certain Entities

10.3 Utilization of Equipment, Facilities, or Services

PART TWO, CHAPTER I

INSTITUTIONS AND ENTITIES COMPOSING THE SYSTEM

Sec. 1. Flags

1.1 Display of Flags

1.2 Official Flag

Sec. 2. Official Seal, Colors, Logo, and Mascot



- [2.1 Official Seal](#)
- [2.2 Official Colors](#)
- [2.3 Themes, Logos, and Mascots](#)
- [Sec. 3. Medical and Hospital Services](#)
- [Sec. 4. Institutions and Entities Composing the System](#)
- [Sec. 5. Charter School Operations](#)

## [PART TWO, CHAPTER II](#)

### [ACCOUNTING, AUDITING, REPORTING, AND BUDGETARY CONTROL](#)

- [Sec. 1. Types of Funds](#)
  - [1.1 Current Funds](#)
  - [1.2 Loan Funds](#)
  - [1.3 Endowment and Similar Funds \*\(editorially amended 11/03\)\*](#)
  - [1.4 Charitable Remainder Trusts and Pooled Income Funds \*\(editorially amended 11/03\)\*](#)
  - [1.5 Plant Funds](#)
  - [1.6 Agency Funds](#)
- [Sec. 2. Accounting](#)
  - [2.1 Financial Records](#)
  - [2.2 Required Approval \*\(editorially amended 9/03 and 9/04\)\*](#)
  - [2.3 Accounting Control](#)
  - [2.4 Account of Funds and Property](#)
  - [2.5 Expenditures](#)
  - [2.6 Statement of Accounts](#)
  - [2.7 Signature Authority](#)
- [Sec. 3. Auditing](#)
  - [3.1 Duties and Responsibilities of Internal Auditors](#)
  - [3.2 Institutional Audit Staff](#)
  - [3.3 System-Wide Audit Plan](#)
  - [3.4 State Auditor's Office](#)
- [Sec. 4. Reporting](#)
  - [4.1 Preparation of Reports](#)
  - [4.2 Annual Financial Report](#)
  - [4.3 Interim Financial Reports](#)
- [Sec. 5. Operating Budgets](#)
  - [5.1 Annual Approval \*\(editorially amended 9/03 and 9/04\)\*](#)
  - [5.2 Budget Policies and Instructions](#)
  - [5.3 Process of Review and Recommendation](#)
  - [5.4 Rules and Procedures for Budget Administration \*\(editorially amended 9/03 and 9/04\)\*](#)
  - [5.5 Access to Copies of Budget](#)
- [Sec. 6. Legislative Appropriation Requests](#)
  - [6.1 Preparation](#)
  - [6.2 Approval \*\(editorially amended 9/03 and 9/04\)\*](#)
  - [6.3 Submission of Requests](#)
- [Sec. 7. Fiscal Year](#)

## [PART TWO, CHAPTER III](#)

### [RECEIPT, CUSTODY, AND DISBURSEMENT OF MONEYS; TRAVEL AU. T.HORIZATION, REIMBURSEMENT, AND INSTITU. T.IONAL REGULATIONS](#)

- [Sec. 1. Receipts, Admission Tickets, and Charges](#)
  - [1.1 Receipt of Funds](#)
  - [1.2 Receipt Forms](#)
  - [1.3 Internal Control](#)
  - [1.4 Electronic Funds Transfer for Certain Oil and Gas Royalty Payments](#)

- [1.5 Tickets and Ticket Reports](#)
- [1.6 Report of Unpaid Charges](#)
- [Sec. 2. Deposits with Institutional Business Office](#)
  - [2.1 Timely Deposits](#)
  - [2.2 Record of Mailed Deposits](#)
  - [2.3 Report of Cash Discrepancies](#)
  - [2.4 Petty Cash Funds](#)
- [Sec. 3. Deposits with the State Treasurer](#)
  - [3.1 Required Deposits](#)
  - [3.2 Cash Receipts](#)
  - [3.3 Revolving Funds](#)
- [Sec. 4. Institutional Funds](#)
  - [4.1 Deposit in Official Depository Banks or Investment \*\(editorially amended 9/03 and 9/04\)\*](#)
  - [4.2 Requirement for Depository Banks \*\(editorially amended 9/03 and 9/04\)\*](#)
  - [4.3 Certain Borrowing Prohibited](#)
  - [4.4 Interest on Deposits and Investments](#)
  - [4.5 Delegation of Approval of Certain Loans](#)
- [Sec. 5. Vouchers for Expenditures](#)
  - [5.1 Use and Approval of Vouchers](#)
  - [5.2 Internal Accounting Controls](#)
  - [5.3 Coding of Vouchers](#)
- [Sec. 6. Cash Discounts](#)
- [Sec. 7. Outstanding Checks](#)
- [Sec. 8. Institutional Membership Dues](#)
- [Sec. 9. Payrolls](#)
  - [9.1 Types of Payrolls](#)
  - [9.2 Preparation and Verification](#)
  - [9.3 Proportional Salary](#)
  - [9.4 Deduction Required](#)
  - [9.5 Distribution Dates for Checks](#)
- [Sec. 10. Travel Authorization, Reimbursement, and Institutional Regulations](#)
  - [10.1 Authorization for Travel](#)
  - [10.2 Travel Expense Reimbursements \*\(editorially amended 9/03 and 9/04\)\*](#)
  - [10.3 Institutional and System Administration Travel Regulations](#)
- [Sec. 11. Insurance on Money and Securities; Fidelity Bonds \*\(editorially amended 9/03 and 9/04\)\*](#)
  - [11.1 Insurance on Money and Securities](#)
  - [11.2 Fidelity Bonds \*\(editorially amended 9/04\)\*](#)

## [PART TWO, CHAPTER IV](#)

### [PURCHASING](#)

- [Sec. 1. Purchasing Ethics](#)
  - [1.1 Objectives and Policies](#)
  - [1.2 Ultimate Value](#)
  - [1.3 Honesty Demanded](#)
  - [1.4 No Personal Gifts or Gratuities](#)
  - [1.5 Competition Required Unless Otherwise Authorized](#)
  - [1.6 No Special Consideration](#)
  - [1.7 Violations to be Reported \*\(editorially amended 9/03 and 9/04\)\*](#)
- [Sec. 2. Contacts with State Agencies and Vendors](#)
- [Sec. 3. Purchasing Procedures](#)
  - [3.1 Procedures](#)
  - [3.2 Use of Closed Specifications](#)
- [Sec. 4. Purchase from or Sale to an Officer or Employee](#)
- [Sec. 5. Purchaser Training and Certification](#)

5.1 Requirements of Purchaser Training and Certification Plan (*editorially amended 9/03 and 9/04*)

5.2 Drafting and Implementation of Training and Certification Plan

## PART TWO, CHAPTER V

### PERSONNEL

Sec. 1. Classified Personnel Programs

1.1 Director of the Office of Human Resources (*editorially amended 9/03 and 9/04*)

1.2 Development and Coordination of the System-Wide Classified Personnel Program

Sec. 2. General Personnel

2.1 Overtime

Sec. 3. Employee Training, Education, and Development

3.1 State Law (*editorially amended 9/03 and 9/04*)

3.2 Training Programs

## PART TWO, CHAPTER VI

### BENEFIT PROGRAMS FOR EMPLOYEES

Sec. 1. Teacher Retirement System

Sec. 2. Optional Retirement Program

2.1 Eligibility Standards

2.2 Authorized Vendors (*editorially amended 9/03 and 9/04*)

2.3 Changes of O.R.P. Vendors

2.4 Transfers of O.R.P. Accounts

Sec. 3. University of Texas Governmental Retirement Arrangement

3.1 Governmental Excess Benefits Plan

3.2 Eligibility for Participation

3.3 Administration and Operation (*editorially amended 9/03 and 9/04*)

3.4 Funds Are Property of the Board of Regents Until Authorized Distribution

3.5 External Organization as Trustee

Sec. 4. Tax Sheltered Annuities

4.1 Authorized Companies

4.2 Listing of Companies (*editorially amended 9/03 and 9/04*)

Sec. 5. Employee Group Insurance and Health Benefits (*last amended 2/4/04*)

5.1 Administration

5.2 Committees and Administrators Authorized

Sec. 6. Workers' Compensation Insurance

6.1 Benefits for Injuries

6.2 Investigation

6.3 Report of Injuries

6.4 Occupational Safety and Health

6.5 W.C.I. Fund (*editorially amended 9/03 and 9/04*)

6.6 Process of Claims

6.7 Appeal of Decisions

6.8 Annual Report

Sec. 7. Unemployment Compensation Insurance Program (*editorially amended 9/03*)

7.1 Weekly Benefits

7.2 U.C.I. Fund

7.3 Administration

7.4 Appeal of Decisions

7.5 Annual Report

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

Sec. 9. Deferred Compensation Plan (*editorially amended 9/03, 8/3/04, and 12/2/04*)

Sec. 10. U.S. Savings Bonds

Sec. 11. Availability of Benefit Descriptions

PART TWO, CHAPTER VII

PHYSICAL PROPERTIES

Sec. 1. Inventories

- 1.1 Annual Inventory
- 1.2 Responsibility for Property
- 1.3 Items Included in Inventory

Sec. 2. Motor Vehicles

- 2.1 Use and Required Inscriptions
- 2.2 Daily Report
- 2.3 Required Operator's License
- 2.4 Inspection
- 2.5 Responsibility and Liability
- 2.6 Reports Required by State Law

Sec. 3. Insurance for U. T. System (*editorially amended 9/03 and 9/04*)

- 3.1 Insurance Coverage
- 3.2 Terms of Policies
- 3.3 Notice of Loss and Approval of Claims
- 3.4 Settlement of Catastrophic Claims
- 3.5 Semiannual Report

Sec. 4. Safe and Vault Combinations

Sec. 5. Police and Security Officers

- 5.1 Protection of Property
- 5.2 Safeguarding of Equipment and Supplies

Sec. 6. Telephones

Sec. 7. Disposal of Property of the System

- 7.1 Report of Obsolete or Unneeded Equipment
- 7.2 Transfer to Public School or School District
- 7.3 Disposal of Surplus or Salvage Data Processing Equipment
- 7.4 Competitive Bids Required
- 7.5 Donation or Destruction of Surplus or Salvage Equipment (*title editorially amended 12/02*)
- 7.6 Sale of Artwork or Duplicate Volumes

Sec. 8. Transfer of Property

Sec. 9. Disposition of Abandoned and Unclaimed Personal Property

- 9.1 Notice to Owner
- 9.2 Abandoned Property to be Sold
- 9.3 Public Sale
- 9.4 Claim to Sales Proceeds
- 9.5 Use of Unclaimed Proceeds
- 9.6 Abandoned Vehicles
- 9.7 Disposal of Drugs Pursuant to State Law
- 9.8 Disposition of Property Left in University Housing

PART TWO, CHAPTER VIII

FACILITY IMPROVEMENTS AND CONSTRUCTION (*title editorially amended 12/02*)

Sec. 1. Naming of Facilities and Other Entities

- 1.1 Buildings, Major Facilities, and Major Academic Units (*editorially amended 11/03*)
- 1.2 Less Prominent Facilities and Entities
- 1.3 Honorific Namings
- 1.4 Naming Related to Private-Fund Campaign (*editorially amended 11/03*)
- 1.5 Annual Reports
- 1.6 Non-Honorific Redesignation

- [Sec. 2. Capital Improvement Program](#)
  - [2.1 Biennial Presentation](#)
  - [2.2 Contents of Program](#)
  - [2.3 Expenditure of Institutional Funds](#)
  - [2.4 Institutional Management of Major Projects \(last amended 11/13/02\)](#)
  - [2.5 Capital Budget](#)
- [Sec. 3. Institutional Committees](#)
  - [3.1 Institutional Building Advisory Committees](#)
  - [3.2 Ad Hoc Project Building Committee](#)
  - [3.3 Architect Selection Advisory Committees \(editorially amended 9/03 and 9/04\)](#)
  - [3.4 Selection Committees for Design-Build Contractors, Construction Manager-Agents, Construction Managers-at-Risk, General Contractors, and Job Order Contractors \(editorially amended 9/03 and 9/04\)](#)
- [Sec. 4. Major Construction and Repair and Rehabilitation Projects](#)
  - [4.1 General Requirements](#)
  - [4.2 Major Projects Procedures](#)
- [Sec. 5. Minor Construction and Repair and Rehabilitation Projects](#)
  - [5.1 Delegation of Authority](#)
  - [5.2 Required Review and Approval](#)
  - [5.3 Professional Services](#)
- [Sec. 6. Bidding, Proposals, Award of Contract, and Final Payment](#)
  - [6.1 Advertisement for Bids and Proposals](#)
  - [6.2 Modification of Bids](#)
  - [6.3 Proposed Decision for Award](#)
  - [6.4 Notice of Proposed Decision for Award by Bid](#)
  - [6.5 Notice of Protest](#)
  - [6.6 Award of Contract](#)
  - [6.7 Final Payment](#)
- [Sec. 7. Constitutional and Legislative Restrictions](#)
  - [7.1 Improvements Financed by Bonds](#)
  - [7.2 Approval by Texas Higher Education Coordinating Board \(editorially amended 9/03 and 9/04\)](#)

## PART TWO, CHAPTER IX

### MATTERS RELATING TO INVESTMENTS, TRUSTS, AND LANDS

- [Sec. 1. Authority Regarding Assets \(editorially amended 11/03\)](#)
  - [1.1 Real Property](#)
  - [1.2 Funds for Endowment or Annuities](#)
  - [1.3 Funds from a Bequest, Trust, or Planned Gift](#)
  - [1.4 Bequest of Intellectual Property Rights](#)
  - [1.5 Permanent University Fund Assets](#)
  - [1.6 Management of Endowment, Trusts, and Pooled Funds](#)
  - [1.7 Consolidated System Funds](#)
  - [1.8 Other Assets \(last amended 8/7/03\)](#)
- [Sec. 2. Authorizations Regarding Sales, Assignments, Conveyances, Receipt of Property, and Proxies](#)
  - [2.1 Authority to Purchase, Exchange, and Sell Securities for and on Behalf of the Permanent University Fund \(PUF\) and the Board](#)
  - [2.2 Authority to Transact Through Investment Dealers](#)
  - [2.3 Additional Authority to Sell Securities for and on Behalf of the Board \(editorially amended 9/04\)](#)
  - [2.4 Authority to Assign and Transfer Securities Owned by the PUF and the Board](#)
  - [2.5 Authority to Receive and Collect Money or Property \(last amended 8/7/03\) \(editorially amended 11/03 and 9/04\)](#)

- [2.6 Authority to Execute Proxies and Consent to Modifications in Bond Indentures](#)
- [2.7 Authority to Deliver and Maintain Securities in Book-Entry Form](#)
- [Sec. 3. Policy for Investment and Management of the PUF](#)
  - [3.1 Investment Policy Statement](#)
  - [3.2 Reports Regarding Asset Management \*\(last amended 8/12/04\)\*](#)
  - [3.3 Authorization to Protect PUF Interests \*\(last amended 8/12/04\)\*](#)
  - [3.4 Policies with Respect to Stock Rights, Fractional Shares, and Proxies](#)
  - [3.5 Financial Advisors and Service Providers \*\(added 11/13/03\)\*](#)
- [Sec. 4. Policy for Investment and Management of U. T. Investment Pools](#)
  - [4.1 Investment Policy Statement](#)
  - [4.2 Application of Other Regulations \*\(last amended 11/13/03\)\*](#)
  - [4.3 System Professional Medical Liability Benefit Plan](#)
  - [4.4 Conformance with Trust Indenture and State Law](#)
- [Sec. 5. Policy for Investment and Management of Endowment, Trust, and Other Accounts Invested Through or Separate from U. T. Investment Pools](#)
  - [5.1 Management of Endowments \*\(last amended 8/7/03\)\*](#)
  - [5.2 Trust Fund and Life Income Accounts \*\(last amended 8/7/03\)\*](#)
  - [5.3 Application of Other Regulations](#)
  - [5.4 Other Accounts](#)
- [Sec. 6. Matters Relating to Real Property](#)
  - [6.1 Management of Interests in Real Property Generally](#)
  - [6.2 Management of Real Properties Used for Institutional Purposes](#)
  - [6.3 Management of Permanent University Fund Lands](#)
  - [6.4 Delegation of Authority \*\(editorially amended 9/03 and 9/04\)\*](#)
  - [6.5 Delegation of Authority Regarding Space Leases](#)
  - [6.6 Responsibilities of the Board Under Oil and Gas Leases and Other Documents Issued by the Board for Lease \*\(editorially amended 9/03 and 9/04\)\*](#)
  - [6.7 All Real Property Interests Held in Name of the Board](#)
  - [6.8 Planned Gifts and Bequests \*\(editorially amended 9/04\)\*](#)
  - [6.9 Current Purpose Gifts](#)
  - [6.\(10\) Rents, Mortgages, and Other Charges](#)

## [PART TWO, CHAPTER X](#)

### [AUXILIARY ENTERPRISES AND STUDENT SERVICES](#)

- [Sec. 1. Definitions and Examples](#)
- [Sec. 2. Annual Budget and Deposit of Funds](#)
- [Sec. 3. Applicable Regulations](#)
- [Sec. 4. Approval of Housing Rates](#)
- [Sec. 5. Administration of Housing Facilities and Eating Facilities](#)
- [Sec. 6. Statutory Provisions Currently in Effect \*\(editorially renumbered 12/02\)\*](#)
- [Sec. 7. Student Publications \*\(editorially renumbered 12/02\)\*](#)
- [Sec. 8. Student Center and Student Union Facilities \*\(editorially renumbered 12/02\)\*](#)
- [Sec. 9. Intercollegiate Athletics Programs \*\(editorially renumbered 12/02\)\*](#)
- [Sec. 10. Employment of a Students' Attorney \*\(editorially renumbered 12/02\)\*](#)
  - [10.1 Limitations on Representation](#)
  - [10.2 Contracts Subject to Applicable Regulations](#)
- [Sec. 11. Student Debit Cards \*\(editorially amended 9/03 and 9/04\)\*](#)

## [PART TWO, CHAPTER XI](#)

### [CONTRACT ADMINISTRATION](#)

- [Sec. 1. Delegation of Authority](#)
  - [1.1 Business Aspects \*\(editorially amended 9/03 and 9/04\)\*](#)
  - [1.2 Applicability](#)

Sec. 2. Special Approval Processes

2.1 Small Purchase Programs

2.2 System Administration and System-Wide Contracts (*editorially amended 9/03 and 9/04*)

2.3 Contracts Between or Among System Administration and Component Institutions (*editorially amended 9/03 and 9/04*)

2.4 Contracts with System Administration or Between or Among Component Institutions

2.5 Contracts Associated with Property and Casualty Losses (*editorially amended 9/03 and 9/04*)

Sec. 3. Legal Matters

3.1 Contracts for Legal Services

3.2 Settlement of Disputes (*editorially amended 11/03*)

3.3 Settlement of Claims and Disputes Relating to Construction Projects

PART TWO, CHAPTER XII

INTELLECTUAL PROPERTY

Sec. 1. Philosophy and Objectives

Sec. 2. General Policy

2.1 Individuals Subject to Policy

2.2 Types of Intellectual Property Included

2.3 Interest of the Board

2.4 Works for Hire

2.5 Role of Inventor or Author

2.6 Support for Patentable Inventions and Intellectual Property

2.7 Service of Public Interest

2.8 Use of Facilities and Resources

2.9 Creation of Data

Sec. 3. Intellectual Property Advisory Committees and Office of General Counsel

3.1 Intellectual Property Advisory Committees

3.2 Office of General Counsel

Sec. 4. Property Rights and Obligations

4.1 Exclusive Property of the Creator and the System

4.2 Property Related to Employment or Resulting from State Support Subject to Ownership by the Board

4.3 Property Resulting from Sponsored Research Subject to Ownership by the Board

Sec. 5. Equity Interests

5.1 Agreement with Business Entities

5.2 Approval of Individual Holding Equity

5.3 Negotiations Related to Equity

5.4 Right to Income from Interests Held by the Board

5.5 Right to Income from Interests Held by the Employee

Sec. 6. Business Participation

6.1 Approval to Serve as Officer or Director

6.2 Request for Individual to Serve as Officer or Director

Sec. 7. Annual Report of Equity Interest and Service as Officer or Director

Sec. 8. Approval of and Execution of Legal Documents Relating to Rights in Intellectual Property

8.1 Legal Review

8.2 Agreement at Variance with Policy

8.3 Authority to Execute Documents

Sec. 9. Income from Intellectual Property

9.1 Use of Income

9.2 Royalties Payable to Employee

Sec. 10. Implementation of Intellectual Property Policy

Sec. 11. Construction of Documents

## PART TWO, CHAPTER XIII

### CONTRACTS AND GRANTS FOR SPONSORED RESEARCH

#### Sec. 1. Delegation of Authority

#### Sec. 2. Budgets, Overhead Rates, and Specialized Rates

##### 2.1 Budget

##### 2.2 Overhead Rates

##### 2.3 Renewals and Replacements

#### Sec. 3. Employment of Noncitizens on Sponsored Projects

## **PART ONE, CHAPTER I**

### **BOARD OF REGENTS**

#### Sec. 1. Authority

The Legislature, which is given the duty and authority to provide for the maintenance, support, and direction of The University of Texas by Article VII, Section 10 of the [Texas Constitution](#), has delegated the power and authority to administer The University of Texas System to the Board of Regents in broad terms. (See [Texas Education Code Sections 65.11 et seq.](#)) Texas cases construing these statutes have held that the Board of Regents has wide discretion in exercising its power and authority and that the rules adopted by the Board of Regents have the same force as statutes. The System's lands and buildings are State of Texas property subject to the control of the Board of Regents as the State's agent.

##### 1.1 Application of Rules and Regulations

The Regents' Rules and Regulations for the government of the System apply to and govern the Board and all officers, employees and agencies under its control.

##### 1.2 Repeal of Existing Rules in Conflict Herewith

All rules, regulations, orders, and resolutions heretofore enacted by the Board that are in conflict with these Regents' Rules and Regulations are hereby repealed.

##### 1.3 Amendment of Rules and Regulations

The Regents' Rules and Regulations may be added to, amended, waived, or suspended by a majority of all of the members of the Board at any regular meeting or at any special meeting called for that purpose.

#### Sec. 2. Composition

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

#### Sec. 3. Chairman of the Board

##### 3.1 Election of Chairman

The Chairman of the Board shall be elected by the Board from its number, shall serve at the pleasure of the Board, and shall report to and be responsible to the Board. In case of the death, resignation, disability, removal, or disqualification of



the Chairman, the Board shall elect a successor Chairman as soon as practicable. Election of the Chairman shall take place during the February meeting held in odd-numbered years or, if new members of the Board have not been appointed and received the consent of the Senate, at the next available opportunity.

3.2 Duties of the Chairman (last amended 5/8/03)

The duties and responsibilities of the Chairman shall include the following:

- 3.21 The Chairman shall preside over the meetings of the Board.
- 3.22 The Chairman shall be authorized to call special meetings of the Board, as herein provided.
- 3.23 Except for the Executive Committee, the Chairman shall appoint the standing committees of the Board and such special committees as the Board may authorize.
- 3.24 The Chairman shall appoint ad hoc committees as necessary to address special issues.
- 3.25 The Chairman shall be a nonvoting ex officio member of all standing and special committees of the Board except for the Executive Committee and shall be a voting member of the Executive Committee.

Sec. 4. Vice-Chairmen of the Board

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

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

5.1 Counsel and Secretary to the Board

The Counsel and Secretary to the Board is the principal officer to the Board in the administration of the responsibilities of the Office of the Board of Regents and the principal staff officer to each member of the Board of Regents in the discharge of his or her responsibilities. In addition to the specific duties and responsibilities set forth in Subsection 5.2 of this Chapter, the Counsel and Secretary to the Board shall advise the Board regarding the design and implementation of policies and procedures by which the Board of Regents may more effectively fulfill its responsibilities regarding the governance and management of The University of Texas System and shall provide legal counsel on issues such as open meetings, public information, and standards of conduct.

5.2 Appointment

At the meeting at which the Chairman and Vice-Chairmen of the Board are elected, the Board shall elect a Counsel and Secretary who is not a member of the Board and who shall receive such compensation and have such staff as may be fixed by the Board. The Counsel and Secretary shall report to and be responsible to the Board. The Counsel and Secretary shall serve subject to the pleasure of the Board

and may be removed by the Board at any time. Upon the death, resignation, disability, removal, or disqualification of the Counsel and Secretary, the Board shall elect a successor as soon as practicable.

5.3 Duties and Responsibilities

The duties and responsibilities of the Counsel and Secretary shall include the following:

5.31 The Counsel and Secretary shall supervise the Office of the Board of Regents.

5.32 Meetings

The Counsel and Secretary shall make preparations, including Regental travel arrangements, for all meetings of the Board and its committees.

5.33 The Agenda

Under the direction of the Chairman of the Board or the Chairman of a standing committee, the Counsel and Secretary shall prepare and distribute the Agenda and necessary supporting documentation for all meetings of the Board and its committees.

5.34 Open Meetings Act

Under the direction of the Chairman of the Board or the Chairman of a standing committee, the Counsel and Secretary shall post notices of all meetings, and the subject matter thereof as may be required under law.

5.35 Minutes

The Counsel and Secretary shall record, prepare, and index the official Minutes of the Board and its committees and shall distribute copies thereof, including the annual budgets, to members of the Board and to other persons on the approved list. The official copy of the Minutes of the Board and its committees shall be kept in the Office of the Board of Regents, and certified excerpts from these Minutes shall be prepared by the Counsel and Secretary as requested.

5.36 Documents

The Counsel and Secretary shall keep on file in the Office of the Board of Regents all official documents, correspondence, and proceedings of the Board and its committees.

5.37 Seal

The custody of the official seal of the System shall be with the Counsel and Secretary. The Counsel and Secretary shall affix such official seal to, and attest, all documents executed in the name of the Board that require attestation.

5.38 Rules and Regulations and Regental Policies

The Counsel and Secretary shall be charged with the responsibility of keeping current the Official Copies of the Regents' Rules and Regulations and furnishing to members of the Board and the administrative officers on the approved list any changes or additions as soon as possible after the meeting at which they are finally adopted.

The Counsel and Secretary is authorized to make minor and nonsubstantive editorial changes to the Regents' Rules and Regulations and to Regental Policies enacted by the Board as necessary to keep the Rules and Policies current and correct.

In the event such editorial changes are necessary, the Counsel and Secretary will ensure that members of the Board, administrative officers, and members of the public have ready access to the current version of the Regents' Rules and Regulations and each Regental Policy.

5.39 Reports

As directed by the Board, the Counsel and Secretary shall:

- 5.391 Define and establish routine reporting mechanisms, including determining the Board's information requirements; structuring reporting procedures; gathering and summarizing reports and data for presentation to the Board on a routine basis; and
- 5.392 Prepare special reports, including requesting and gathering data from System Administration and component institutions; conducting necessary analyses of data; and summarizing facts and presenting reports for the Board's consideration.

5.3(10) Other Duties

In addition, the Counsel and Secretary shall perform such other duties as may be assigned by the Board or as are usual and customary to the position of Counsel and Secretary and which assist the members of the Board in the discharge of their official duties.

5.4 Assistant Secretary to the Board

The Assistant Secretary to the Board shall be appointed by the Counsel and Secretary to the Board and shall have such duties and responsibilities as shall be delegated by the Counsel and Secretary to the Board.

Upon the temporary absence of the Counsel and Secretary to the Board or upon the death, resignation, disability, or removal of the Counsel and Secretary to the Board, the Assistant Secretary to the Board will fulfill the duties of the Counsel and Secretary to the Board until such time as the Board shall elect a successor.

Sec. 6. Meetings of the Board and Standing Committees of the Board (last amended 5/8/03)

6.1 Regular Meetings of the Board

Regular meetings of the Board shall be held at such times and places as the Board Chairman shall designate.

6.2 Special Meetings of the Board

Special meetings of the Board shall be held upon the call of the Chairman, or upon the written request of three members of the Board. The Chairman shall cause written notification of the time, place, and purpose(s) of a special meeting to be provided to each member of the Board by the Counsel and Secretary at least three days before the time of the meeting, when possible.

6.3 Regular Meetings of Standing Committees

Regular meetings of standing committees of the Board shall be held in conjunction with regular meetings of the Board.

6.4 Special Meetings of Standing Committees

Special meetings of standing committees shall be held upon the call of the Chairman of the Committee, upon the call of the Chairman of the Board, or upon the written request of two members of the Committee. The Chairman of the standing committee shall cause written notification of the time, place, and purpose(s) of a special meeting to be mailed to each member of the Board by the Counsel and Secretary at least three days before the time of the meeting.

6.5 Official Business

No business other than that placed on the Agenda and posted as required by law shall be officially transacted at a meeting of the Board or its committees.

Sec. 7. Committees and Other Appointments

7.1 Standing Committees (last amended 5/8/03)

The following committees shall be standing committees of the Board to consider policies for the government of all major areas: (a) Executive Committee; (b) Finance and Planning Committee; (c) Academic Affairs Committee; (d) Health Affairs Committee; (e) Facilities Planning and Construction Committee; (f) Audit, Compliance, and Management Review Committee.

7.11 Composition of Standing Committees: Appointment of Chairmen (last amended 5/8/03)

7.111 The Executive Committee is composed of the Chairman, Vice-Chairmen of the Board, and additional voting members of the Board appointed by the Chairman. The Chairman of the Board is the Chairman of the Executive Committee and is a voting member of that Committee.

7.112 Each standing committee is composed of not less than four members of the Board appointed by the Chairman.

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

7.12 Method of Filling Vacancies in the Chairmanship of Standing Committees

In case a vacancy shall occur in the Chairmanship of any of the standing committees, the Chairman of the Board shall appoint another member of the Board to serve as Chairman of the standing committee, by and with the consent of the Board, and, if confirmed, the appointment shall stand until the time for appointment of Chairmen of the standing committees as provided in Subparagraph 7.113 of this Chapter.

7.13 Authority of Standing Committees

The authority of standing committees of the Board shall be subject to action of the whole Board. Except as provided in Subdivision 7.14 of this Chapter, the committees' actions must be ratified by the Board before they shall become effective.

7.14 Duties of the Executive Committee

Any action taken by the Executive Committee pursuant to authority granted in Part One, Chapter I, Section 9, Subsection 9.6 of these Rules and Regulations shall be effective at the time the action is taken by the Committee unless otherwise stated by the Committee and shall be reported to the Board at its next regularly scheduled meeting.

7.15 Duties of the Finance and Planning Committee

The Finance and Planning Committee shall:

7.151 Continue long-range planning activities, including institutionalization of the planning process, development of related plan implementation policies and procedures for the U. T. System and the component institutions, and providing coordination of related legislative issues.

7.152 Review and make recommendations to the Board as appropriate on matters related to business affairs such as: operating budget; debt financing transactions and issues concerning the Permanent University Fund, including administering standards for resource allocation; University Lands - West Texas Operations; System-wide and self-insured insurance programs; and special task forces, initiatives, and

- commissions for System Administration and the component institutions.
- 7.153 Review and recommend to the Board as appropriate on issues and activities related to The University of Texas Investment Management Company (UTIMCO).
- 7.154 Establish an Internal Audit and Compliance Subcommittee to oversee auditing and compliance activities. Receive recommendations for action by the Subcommittee as appropriate.
- 7.16 Duties of the Audit, Compliance, and Management Review Committee (last amended 11/13/03)  
The Audit, Compliance, and Management Review Committee shall:
- 7.161 Approve an Audit Charter for the Audit, Compliance, and Management Review Committee and oversee all internal and external auditing and compliance functions within The University of Texas System.
- 7.162 Review and approve the appointment or change of the System Director of Audits after nomination by the Chancellor.
- 7.163 Review and approve the annual System-wide risk assessment and annual internal auditing plan.
- 7.164 Initiate System Administration and institutional audits, compliance activities, and operations management reviews as deemed necessary to ensure appropriate risk management and control processes within The University of Texas System.
- 7.165 Provide the Board of Regents with relevant information obtained from ongoing reviews of auditing, compliance, and operations activities and reports of internal auditors, external auditors, and the State Auditor's Office.
- 7.166 Meet with external auditors, internal audit directors, and compliance officers as deemed necessary to discuss specific risk management and control issues.
- 7.17 Duties of the Academic Affairs Committee  
The Academic Affairs Committee shall:
- 7.171 Report to the Board on the instructional, research, and professional service programs and activities of the general academic component institutions.
- 7.172 Report to the Board on policies relating to soliciting and securing gifts for the University's general academic institutions.
- 7.173 Consider and report to the Board on matters affecting the libraries of the general academic institutions.
- 7.174 Review proposed substantive changes in the degree program inventory and the academic administrative structure and recommend to the Board approval or disapproval of such changes.
- 7.175 Report and recommend to the Board approval of matters related to education in the general academic institutions.
- 7.176 Recommend appropriate Board action with respect to any recommendations by the Chancellor related to the appointment, promotion, and dismissal of such institutional officers as may be appropriate in the general academic institutions.
- 7.177 Consider and report to the Board on matters relating to the research, training, and community service activities at the general academic institutions.
- 7.178 Make recommendations concerning capital improvement

priorities related to the approved missions of the general academic institutions.

7.18 Duties of the Health Affairs Committee

The Health Affairs Committee shall:

- 7.181 Consider and report to the Board on matters concerned with substantive aspects of policies and programs related to the academic philosophy and objectives of the health-related institutions; with University relations; and with health-related academic planning, instruction, and research.
- 7.182 Report and recommend to the Board approval of matters relating to education in the health-related institutions.
- 7.183 Recommend appropriate Board action with respect to any recommendations by the Chancellor related to the appointment, promotion, and dismissal of such institutional officers as may be appropriate in the health-related institutions.
- 7.184 Consider and report to the Board on matters relating to the research, training, and community service activities of the health-related institutions.
- 7.185 Consider and report to the Board on matters affecting the libraries of the health-related institutions.
- 7.186 Report to the Board on policies relating to soliciting and securing gifts for the University's health-related institutions.
- 7.187 With respect to each Hospital, clinic, and patient-care facility owned by The University of Texas System, counsel with the Executive Vice Chancellor for Health Affairs regarding the bylaws and rules and regulations of the medical staff; and make recommendations to the Board concerning mechanisms and controls for the achievement and maintenance of high standards of professional practices in and at the Hospital, clinic, or patient-care facility.
- 7.188 Make recommendations concerning capital improvement priorities related to the approved missions of the health-related institutions.

7.19 Duties of the Facilities Planning and Construction Committee

The Facilities Planning and Construction Committee shall:

- 7.191 Consider matters relating to the acquisition and use of the grounds and buildings on campus and campus-related real property of The University of Texas System.
- 7.192 Review proposed construction projects and make decisions on the selection of architects for projects determined to be of special interest to the Board; approve plans and accept bids for construction projects.
- 7.193 Make recommendations to the Board on the award and execution of construction and equipment contracts.
- 7.194 Make recommendations to the Board with respect to the naming of University buildings and other major facilities.

7.2 Board for Lease of University Lands (editorially amended 9/04)

At the first available opportunity following February 1 of each odd-numbered year, two qualified members of the Board, as specified in [Texas Education Code Section 66.62](#), shall be selected by the Board, upon recommendation of the Chairman of the Board, to serve on the Board for Lease of University Lands. In the event a Board member appointed to the Board for Lease of University Lands is unable to attend a regular meeting of the Board for Lease of University Lands, the Chairman may appoint, as a substitute, a qualified member of the Board to attend

the meeting. The Office of Business Affairs, on behalf of the Board of Regents, will assign employees of The University of Texas System to assist the Board for Lease of University Lands in the performance of its duties and responsibilities and will consult with the Chancellor and the Office of General Counsel as necessary and appropriate. The Executive Vice Chancellor for Business Affairs shall report significant activities of the Board for Lease of University Lands to the Board, as appropriate.

7.3 The University of Texas Investment Management Company (UTIMCO) (last amended 9/28/04)

7.31 Composition and Selection of Members of the Board

Pursuant to Texas Education Code Section 66.08, the U. T. Board of Regents shall appoint the nine directors of The University of Texas Investment Management Company (UTIMCO). Periodically, the U. T. Board of Regents will review the performance of the UTIMCO Board of Directors. At least three members of the U. T. Board of Regents and the Chancellor shall be appointed to the UTIMCO Board of Directors by the Chairman of the U. T. Board of Regents, by and with the consent of the U. T. Board of Regents. At least one director will be selected from a list of candidates with substantial background and expertise in investments, as submitted to the U. T. Board of Regents by the Board of Regents of The Texas A&M University System. The selection process for external members of the UTIMCO Board of Directors is as follows:

- 7.311 The Chairman of the U. T. Board of Regents and the Chairman of UTIMCO send a joint letter to leaders in the public and private sector soliciting nominations.
- 7.312 Nominations are to be provided to the Chairman of the U. T. Board of Regents.
- 7.313 The Chairman of the U. T. Board of Regents appoints a selection advisory committee to review nominations.
- 7.314 After review, the selection advisory committee makes recommendations to the Chairman of the U. T. Board of Regents.
- 7.315 At the direction of the Chairman of the U. T. Board of Regents, the Office of the Board of Regents asks individuals to complete a background questionnaire. The Office of the Board of Regents apprises those individuals of the UTIMCO Code of Ethics and disqualifications from service.
- 7.316 Using information from the questionnaires, the Office of the Board of Regents:
  - (a) confirms the educational degrees and professional certifications;
  - (b) assures that professional licensure and certifications are in good standing;
  - (c) reviews business relationships, if any, with members of the Board of Regents or the UTIMCO Board or with U. T. System or UTIMCO; and
  - (d) initiates review by the U. T. System Director of Police of the Texas conviction database and contacts local law enforcement.
- 7.317 The Chairman of the U. T. Board of Regents and the Chairman of UTIMCO conduct personal interviews, as needed, to assure that external UTIMCO directors possess varied investment backgrounds and risk management expertise.
- 7.318 The Chairman of the U. T. Board of Regents submits a

recommended appointment for approval by the U. T. Board of Regents.

7.32 Referrals to UTIMCO and Related Disclosures

- 7.321 Members of the U. T. Board of Regents and U. T. System officers and employees shall avoid all appearance of conflict of interest pertaining to UTIMCO's investment opportunities. Referral of information related to investment opportunities outside of a posted open meeting of the U. T. Board of Regents or the UTIMCO Board of Directors must be made directly to the UTIMCO President and CEO without endorsement of the merits of the potential investment and with full disclosure concerning whether the investment opportunity involves any potential economic benefit to the individual making the referral or to an individual related within the second degree of affinity or the third degree of consanguinity to the individual making the referral. Referrals will be accepted with the understanding that decisions on individual investments are at the discretion of the UTIMCO Board and staff.
- 7.322 Members of the UTIMCO Board of Directors are to be guided by the same requirements through UTIMCO policies.
- 7.323 Should UTIMCO staff ultimately recommend to the UTIMCO Board an investment that was the subject of a direct referral from a member of the U. T. Board of Regents, an officer or employee of the U. T. System, or a member of the UTIMCO Board of Directors, UTIMCO staff is required to disclose the source of the referral and whether such referral involves any potential economic benefit to the individual making the referral or to an individual related within the second degree of affinity or the third degree of consanguinity to the individual making the referral.

7.4 Texas Growth Fund

Pursuant to Section 70(m), Article XVI of the [Texas Constitution](#), the Texas Growth Fund II shall be managed by a Board of Trustees that "includes one member from and elected by" the U. T. Board of Regents.

7.5 M. D. Anderson Services Corporation (added 5/8/03)

M. D. Anderson Services Corporation (formerly M. D. Anderson Cancer Center Outreach Corporation) was established in 1989 to enhance revenues of The University of Texas M. D. Anderson Cancer Center by establishing joint ventures in selected markets, providing additional referrals to the institution, contracting for delivery of inpatient and outpatient management, utilizing existing U. T. M. D. Anderson Cancer Center reference laboratory services, and fostering additional philanthropy in distant areas. Pursuant to bylaws approved by the Board of Regents, M. D. Anderson Services Corporation shall be managed by a Board of Directors. Three of the Directors, one of whom shall be a Regent and two of whom shall be administrative officers of The University of Texas System, may be appointed by the Board of Regents.

Sec. 8. Procedure

8.1 Importance of Attendance at Board and Committee Meetings

Recognizing the broad authority and responsibility vested in the Board of Regents for the governance and operation of The University of Texas System, there is a specific expectation that members of the Board understand and recognize the



importance of their attendance at Board and committee meetings and will make a sincere commitment to attend as many of these as possible.

8.2 Rules of Order

Robert's Rules of Order, when not in conflict with any of the provisions of this Chapter, shall be the rules of parliamentary procedure when the Board or any of its committees is in session.

8.3 Order of Business (last amended 5/8/03)

Customarily, the order of business at a regular meeting of the Board shall be as follows:

- (a) Executive Session of the Board.
- (b) Correction and approval of Minutes of preceding meeting(s).
- (c) Consideration of Special Items referred directly to the Board.
- (d) Reports of special and ad hoc committees.
- (e) Consideration of approval of items contained in reports of the following standing committees:  
Executive Committee,  
Finance and Planning Committee including consideration of items relating to The University of Texas Investment Management Company (UTIMCO),  
Audit, Compliance, and Management Review Committee,  
Academic Affairs Committee,  
Health Affairs Committee, and  
Facilities Planning and Construction Committee.
- (f) Other Matters.

8.4 Open and Closed Meetings

Meetings of the Board shall be open to the press and the public, unless otherwise determined by the Board, in accordance with law.

8.5 Matters to be Referred to Committees

The Chairman of the Board in consultation with the Counsel and Secretary to the Board and appropriate committee chairmen shall make appropriate referrals to standing committees. On all matters for the consideration of the Board originating in the component institutions or System Administration, the Chancellor shall include a recommendation as to the standing committee to which the matter should be referred. Insofar as it is practicable, all subjects and matters requiring Board action shall be referred to the appropriate standing committee for consideration and recommendation before action is taken thereon by the Board.

8.6 Communications by and to the Board (last amended 5/8/03)

8.61 It is the responsibility of each Regent to be knowledgeable in some detail regarding the operations, management, finances, and effectiveness of the academic, research, and public service programs of The University of Texas System, and members of the Board have the right and authority to inform themselves as to their duties, responsibilities, and obligations in such a manner as they may deem proper. Members of the Board of Regents are to be provided access to such personnel and information as in their individual judgements will enable them to fulfill their duties and responsibilities as Regents of The University of Texas System. The regular channel of communication from members of the Board to the faculty, staff, and administration is through the Chancellor, the appropriate Executive Vice Chancellor, and the president of the institution

involved, and a copy of any communication sent by a Regent directly to any member of the faculty, staff, or administration should be furnished to the Chancellor, the appropriate Executive Vice Chancellor, and the president of the institution involved; however, individual Board members are not precluded when they deem it necessary and proper from direct participation and communication with the presidents, representatives, and personnel of The University of Texas System Administration and its component institutions, faculty members, and other groups.

8.62 Except upon invitation of the Board, the Chairman of the Board, the appropriate Committee Chairman, the Chancellor, or the appropriate Executive Vice Chancellor, no person shall appear before the Board or any committee thereof unless that person files with the Counsel and Secretary to the Board a written request explaining the purpose of such appearance at least three days before the date of such appearance and unless the Chairman of the Board, the appropriate Committee Chairman, or at least three members of the Board, shall approve the request. It is understood, however, that the president of a component institution or his or her delegate and/or the president or chair of the student, staff, or faculty governance organization(s) or his or her delegate may appear without prior notice or request before the Board or any committee whenever the matter under consideration directly affects the component institution represented by such person. Persons requesting to appear must identify the subject of their remarks, which must be directly related to a matter on the Agenda for consideration by the Board. Whenever time and other circumstances permit, the person making the request shall first consult with the president, or his or her delegate, of such institution regarding the purpose of the appearance prior to the meeting of the Board or committee. Insofar as possible, any person who appears before the Board shall provide a written statement of the substance of such person's presentation to the Board, and such written statement shall be delivered to the Counsel and Secretary to the Board in sufficient time for copies to be distributed to the Regents prior to the meeting. Any person appearing before the Board or a committee shall be subject to restrictions on time, place, and manner as may be prescribed by the Chairman or a majority of the Board or by the Chairman or a majority of a committee. The Chairman or a majority of the Board may prescribe sanctions against any person exceeding established time, place, or manner limits; disrupting a meeting of the Board or a committee of the Board; or violating any provision of the Regents' Rules and Regulations. Sanctions may include the refusal to allow such person to speak again to the Board or committees of the Board for up to one year.

8.63 All official material to be distributed to the Regents shall be transmitted through the Office of the Board of Regents. Copies of all official communications from administrative officers to the Regents shall be sent to the Counsel and Secretary. Communications from the Chancellor and Executive Vice Chancellors shall be exempt from this requirement but in such cases information copies shall be furnished to the Counsel and Secretary. The regular channel of communication from the faculty, staff, students, and administration to the Board is through the president of the institution involved, the appropriate Executive Vice Chancellor and the Chancellor. Communications from the Faculty Advisory Council, the Student Advisory Council, and the Employee Advisory Council to the Board are through the Chancellor. A copy of any communication sent directly to a Board member should be furnished to the Chancellor, the appropriate Executive Vice Chancellor, and the president of the institution

involved.

Except for communications from the Chancellor, the Executive Vice Chancellors, and the Counsel and Secretary to the Board, all communications to the Board from members of the university community should be in writing.

8.64 Docket

A compilation of matters that are required to be reported to or approved by the Board via a docket format shall be prepared as directed and approved by the Chancellor, Executive Vice Chancellors, and Vice Chancellors, as appropriate.

All docket items from the component institutions must be received by System Administration prior to the deadline set by the Chancellor approximately four weeks prior to a regular scheduled meeting for inclusion in the Docket for that meeting. The Docket shall be distributed by the Counsel and Secretary to all members of the Board and may be combined with the Agenda Book referenced in Subdivision 8.65 below.

8.65 Agenda

Each matter to be considered by the Board or a standing committee of the Board at any regular Board meeting as an Agenda Item shall be accompanied by a summary of the facts pertaining thereto, the need for action thereon, and the recommendations of the Chancellor, where appropriate. Where contractual awards are involved, the summary shall show the method of competition, if any, the names and offers of all interested parties, and generally sufficient information to show the reasons for and fairness of each transaction. The recommendations of the Chancellor shall state whether they are fully concurred in by any Executive Vice Chancellor, Vice Chancellor, and/or president of a component institution involved.

Except in the case of an emergency, all proposals that are to be considered by the Board or a committee of the Board shall be presented to System Administration in sufficient time to allow review prior to transmittal to the Counsel and Secretary to the Board approximately four weeks prior to a regular scheduled meeting of the Board for preparation of the Agenda Book and supporting material.

The Agenda Book for a Board meeting shall be provided to each member of the Board approximately two weeks in advance of the meeting, to the extent possible.

8.7 Report to Press on Actions of Board

Reports on matters of public interest will be given to the press as promptly as possible during or after each meeting. These press reports shall be under the direction of the Chairman of the Board, or the Chancellor or their designated representatives.

8.8 Political and Controversial Matters

The Board reserves to itself the responsibility for passing upon matters of a political or obviously controversial nature, which represent an official position of the System or any institution or department thereof. Statements on such matters shall be made by the Chairman of the Board or the Chancellor. Without the advance approval of the Board, no Regent, officer, or faculty or staff member shall make or issue any public statement on any political or other subject of an obviously controversial

nature which might reasonably be construed as a statement of the official position of the System or any institution or department thereof. It is not the intent of this policy statement to stifle the right of freedom of speech of anyone speaking in a personal capacity where that person makes it clear that he or she is not speaking for the System or any of its component institutions. Statements on matters of an emergency nature shall be cleared by the Chancellor with the Chairman of the Board.

Sec. 9. Delegation to Act on Behalf of the Board

9.1 Items Requiring Board Approval

Each Executive Officer and the institutional presidents shall be responsible for identifying to the Chancellor contracts, agreements, and other documents for which he or she is responsible that are of such significance to require the prior approval of the Board. Each such matter so identified shall be presented to the Board by the Chancellor as an agenda item at a regular or special meeting of the Board. Upon approval, the Board shall designate the person(s) authorized to act on behalf of the Board with regard to the matter and shall specify any conditions or limitations on such authority. Documents executed on behalf of the Board pursuant to authority granted under these Rules and Regulations shall not require certification or attestation by the Counsel and Secretary to the Board.

9.2 Delegation of Authority to Execute and Deliver Contracts, Agreements, and Documents (last amended 2/4/04)

The Board delegates authority to execute and deliver contracts, agreements, and documents on behalf of the Board as set out in these Rules and Regulations. The Board shall take all actions necessary to maintain oversight and to implement all proper and necessary procedures with regard to such delegated authority. All authority to execute and deliver contracts, agreements, and other documents is subject to these Rules and Regulations and compliance with all applicable laws and special instructions or guidelines issued by the Chancellor, an Executive Vice Chancellor, or the Vice Chancellor and General Counsel.

9.21 Special Instructions

Special instructions or guidelines by the Chancellor, an Executive Vice Chancellor, or the Vice Chancellor and General Counsel may include without limitation instructions concerning reporting requirements; standard clauses or provisions; ratification or prior approval by the Board, the Executive Committee of the Board, or the appropriate Executive Vice Chancellor; review and approval by the Office of General Counsel; and recordkeeping.

9.22 Requirements Related to Board Approval

All contracts or agreements, including purchase orders and vouchers, with a cost or monetary value to the U. T. System Administration or the component institution of more than \$1 million must be approved by the Executive Committee of the Board or approved by the Board via the Docket or the Agenda except the following, which do not require prior approval by the Executive Committee of the Board or the Board regardless of the contract amount:

9.221 Contracts, agreements, and documents relating to construction projects previously approved by the Board in the Capital Improvement Program and Capital Budget.

9.222 Contracts or grant proposals for sponsored research, including institutional support grants, and licenses or other conveyances of intellectual property owned or controlled by the Board; provided that licenses and other conveyances of intellectual

- property owned or controlled by the Board shall have the advance approval of the appropriate Executive Vice Chancellor.
- 9.223 Contracts or agreements for the purchase of replacement equipment or licensing of replacement software.
- 9.224 Contracts or agreements for the purchase of routinely purchased supplies.
- 9.225 Purchases made under a group purchasing program.
- 9.226 Purchases of new equipment or licensing of new software identified specifically in the institutional budget approved by the Board.
- 9.227 Loans of institutional funds to certified nonprofit health corporations, which loans have been approved as provided in Part Two, Chapter III, Section 4, Subsection 4.5 of these Rules and Regulations.
- 9.228 Agreements with administrators employed by the U. T. System or a component institution, so long as such agreements fully comply with the requirements of Texas Education Code Section 51.948 including the requirement to make a finding that the agreement is in the best interest of the U. T. System or the component institution.
- 9.229 Contracts or agreements for utility services or energy resources and related services, if any, which contracts or agreements have been approved in advance by the Chancellor or the Chancellor's delegate.
- 9.22(10) Contracts or agreements for the purchase or license of library books and library materials.
- 9.22(11) Contracts or agreements related to postseason bowl games, subject to a requirement that the contract or agreement has been submitted to the Executive Vice Chancellor for Academic Affairs and is in a form acceptable to the Vice Chancellor and General Counsel.
- 9.22(12) Contracts or agreements for uniform group employee benefits offered pursuant to Chapter 1601, Texas Insurance Code.
- 9.23 All contracts for consulting services for more than \$250,000 must be approved by the Executive Committee of the Board or approved by the Board via the Docket or the Agenda.
- 9.24 The officer or employee executing any document on behalf of the Board shall be responsible for assuring that he or she has authority to act on behalf of the Board and that such authority is exercised in compliance with applicable conditions and restrictions.
- 9.25 The primary delegate identified in these Rules and Regulations or in an official Board action may further delegate his or her delegated authority unless otherwise specified. Any such further delegation of authority must be made in writing and the primary delegate shall permanently maintain, or cause to be maintained, evidence of all such delegations. A delegate of the primary delegate may not further delegate such authority.
- 9.26 The primary delegate identified in these Rules and Regulations as authorized to execute and deliver on behalf of the Board various types of contracts, agreements, and documents shall maintain, or cause to be maintained, necessary and proper records with regard to all contracts, agreements, and documents executed and delivered pursuant to such delegated authority. An original of each executed contract or agreement shall be kept for a minimum period of four years after the expiration of the contract or agreement, or longer as may be specified by any applicable

- records retention schedule or policy adopted by the Board, the U. T. System Administration, or the component institution.
- 9.27 All authority to execute and deliver contracts, agreements, and other documents is subject to compliance with all applicable laws and regulations and all applicable provisions of these [Rules and Regulations](#).
- 9.28 The following contracts and agreements must be approved by the Board via the Docket or the Agenda, regardless of the contract amount:
- 9.281 Contracts and agreements of any kind or nature with a foreign government or agency thereof, except affiliation agreements and cooperative program agreements, material transfer agreements, sponsored research agreements and licenses or other conveyances of intellectual property owned or controlled by the Board prepared on an approved standard form or satisfying the requirements set by the Office of General Counsel.
- 9.282 Agreements with a Chancellor, a president, a former Chancellor or president, an Executive Vice Chancellor, or a Vice Chancellor, subject to the provisions of [Texas Education Code Section 51.948](#) or [Texas Government Code Section 618.001 et seq.](#)
- 9.29 Contracts or agreements, including purchase orders and vouchers, with a cost or monetary value to the System Administration or a component institution in excess of \$1 million but not exceeding \$10 million associated with or related to a property or casualty loss that is expected to exceed \$1 million may be approved, executed, and delivered by the Chancellor as provided in Part Two, Chapter XI, Section 2, Subsection 2.5 of these [Rules and Regulations](#).
- 9.3 Prior Approval and Reporting  
Actions taken pursuant to delegated authority must receive the prior approval of, or be reported to, the Board only as specifically required in these [Rules and Regulations](#), the policies of the Board, or any special instructions or guidelines issued as provided in these [Rules and Regulations](#).
- 9.4 Actions of the Board as Trustee  
Authority delegated by the Board in these [Rules and Regulations](#) includes actions that may be taken by the Board in its capacity as trustee of any trust, to the extent such delegation is permitted by law.
- 9.5 Delegation of Authority Related to Charter School Operations  
Authority delegated by the Board in these [Rules and Regulations](#) includes actions related to the oversight and operation of an open-enrollment charter school as authorized in Part Two, Chapter I, Section 5 of these [Rules and Regulations](#).
- 9.6 Delegation of Authority to the Executive Committee  
Except as may be specifically set out otherwise in these [Rules and Regulations](#), the Board delegates to the Executive Committee of the Board authority to act on behalf of the Board on all matters requiring immediate attention. When approving any contract, agreement, or document, the Committee shall designate the officer, employee, or agent authorized to execute and deliver the contract or agreement and specify any other required approvals. The designated delegate may further delegate his or her delegated authority unless otherwise specified. Any such further delegation of authority must be made in writing and the designated delegate shall permanently maintain, or cause to be maintained, evidence of any such delegation. A delegate of the primary delegate may not further delegate such

authority. All members of the Board will be given prompt notice of all meetings of the Executive Committee and will be invited to attend and participate in all Executive Committee discussions and deliberations. The Executive Committee shall report to the Board at its next regular meeting actions taken by the Committee on behalf of the Board as provided in Part One, Chapter I, Section 7 of these Rules and Regulations.

9.7 Exceptions

This Section does not apply to the following:

- 9.71 Management of assets by UTIMCO, which is governed by contract and the provisions of Part Two, Chapter IX of these Rules and Regulations.
- 9.72 The acceptance, processing, or administration of gifts and bequests, which actions are governed by Part One, Chapter VII and Part Two, Chapter IX of these Rules and Regulations and applicable policies of the Board.
- 9.73 Any power, duty, or responsibility that the Board has no legal authority to delegate, including any action that the Texas Constitution requires be taken by the Board.

Sec. 10. Policies

10.1 Compliance with Ethics Policy

Each member of the Board of Regents shall perform his or her activities on behalf of The University of Texas System in conformity with the Ethics Policy as set out in Part One, Chapter III, Section 4 of the Regents' Rules and Regulations and other State of Texas laws related to standards of conduct and conflict of interest.

10.2 Policy Against Discrimination

To the extent provided by applicable law, no person shall be excluded from participation in, denied the benefits of, or be subject to discrimination under, any program or activity sponsored or conducted by the System or any of its component institutions, on the basis of race, color, national origin, religion, sex, age, veteran status, or disability.

10.3 Regental Policies

Other Policies approved by the Board and not included in the Regents' Rules and Regulations may be found in Regental Policies at <http://www.utsystem.edu/bor/policies.htm>.

Sec. 11. Guidelines for the Santa Rita Award (added 11/13/02)

I. Standards

A System-wide award that may be made annually to an individual who has made valuable contributions over an extended period to The University of Texas System in its developmental efforts. An individual is defined as a person, as opposed to a corporation, charitable trust, foundation, and like entities. The recipient may be judged on the basis of a broad list of criteria, primary among which will be a demonstrated concern for the principles of higher education generally, as well as deep commitment to the furtherance of the purposes and objectives of The University of Texas System specifically.

Participation by the recipient in the affairs of the System shall be of such character and purpose to serve as a high example of selfless and public-spirited service. Of particular interest will be the effect that such individual activity may have

engendered similar motivation from other public and private areas toward the University System.

II. General Conditions

- A. The award, to be known as the "Santa Rita Award," will consist of a medallion to be presented no more frequently than annually.
- B. The award shall be made on behalf of the Board of Regents of The University of Texas System.
- C. An individual may receive the award only once.
- D. Posthumous awards may be given.
- E. No member of the Board of Regents shall be eligible to receive the Santa Rita Award until the termination of the member's service.

III. Nominations for Awards

- A. Nominations for the award shall be forwarded to the Chairman of the Board of Regents or the Counsel and Secretary to the Board (Office of the Board of Regents, The University of Texas System, 201 West Seventh Street, Suite 820, Austin, Texas 78701-2981).
- B. The nominator shall provide such supporting information and documentation as may be requested by the Chairman or the Counsel and Secretary to the Board.

IV. Selection of Awardees

Awards shall be made, upon recommendation of the Chairman of the Board following consultation with others including the Chancellor and other appropriate U. T. System officials, by a majority vote of members present at a Board of Regents' meeting at which a quorum is present.

## **PART ONE, CHAPTER II**

### **ADMINISTRATION**

Sec. 1. System Administration

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

Sec. 2. Board's Exercise of Authority

The Board of Regents exercises its powers and authorities in the governance of The University of Texas System through the System Administration, headed by the Chancellor.



Sec. 3. Chancellor (last amended 11/13/02)

The Chancellor is the chief executive officer of The University of Texas System. The Chancellor reports to and is responsible to the Board of Regents of The University of Texas System. The Chancellor has direct line responsibility for all aspects of the U. T. System's operations.

3.1 Appointment

The Chancellor shall be elected by the affirmative vote of a majority of the Regents in office and shall hold office without fixed term, subject to the pleasure of the Board.

3.2 Primary Duties and Responsibilities of the Chancellor (last amended 8/12/04)

The Chancellor, by delegation from the Board, is authorized to exercise the powers and authorities of the Board in the governance of the System. The Chancellor will normally act through the officers of the System regarding the matters delegated to them by these Rules. The Chancellor, however, shall not be precluded from any direct participation and communication with System Administration officers or staff, institutional officers or staff, faculty members, and groups. The major duties of the Chancellor include:

- 3.21 Advising and counseling with the Board with respect to the policies, purposes, and goals of the System; acting as executive agent of the Board in implementing its policies and a system of internal controls; representing the System in all other respects as deemed appropriate to carry out such policies, purposes, and goals, and interpreting and articulating the System's academic, administrative and developmental policies, programs, needs, and concerns to the general public and to other constituencies at the community, State, regional, and national levels.
- 3.22 Preparing for recommendation to the Board a strategic plan for The University of Texas System, revised periodically, setting forth recommendations for academic programs, capital expenditures, and the allocation of other financial resources.
- 3.23 Directing the management and administration of System Administration and all component institutions of the System.
- 3.24 Presenting to the appropriate standing committees of the Board and to the Board nominations for all officers of the System, and for all officers of component institutions as provided in these Rules and Regulations.
- 3.25 Periodically reviewing the organization of the System Administration and the component institutions of the System and reporting to the appropriate standing committees of the Board and to the Board recommendations for changes in organization, assignments, and procedures.
- 3.26 Preparing and approving appropriate recommendations to the Board and its standing committees along with the recommendation of the appropriate Executive Vice Chancellor, Vice Chancellor, as appropriate, or president of a component institution.
- 3.27 Preparing and approving annual operating budgets for the System Administration and the component institutions of the System and submitting such recommendations to the Board.
- 3.28 Preparing and approving biennial legislative submissions to the Legislative Budget Board and to the Governor for the System Administration and the component institutions of the System for the consideration of the Board in accordance with Section 6 of Chapter II of Part Two of these Rules and Regulations.
- 3.29 Appointing the Executive Vice Chancellors and Vice Chancellors, and

taking administrative action and terminating employment regarding these positions.

- 3.2(10) Nominating candidates for the position of System Director of Audits for appointment by the Board, as outlined in Subsection 3.3 of this Chapter.
- 3.2(11) Appointing the System-wide Compliance Officer, as outlined in Subsection 3.4 of this Chapter.
- 3.2(12) Serving on the Board of Directors of The University of Texas Investment Management Company (UTIMCO). Generally overseeing the operations of UTIMCO, with support from System staff and external consultants as appropriate, and coordinating interaction between the System and UTIMCO. Ensuring that UTIMCO implements the core investment functions delegated to it in conformance with the Articles of Incorporation and Bylaws of UTIMCO, these Rules and Regulations, the Investment Management Services Agreement, and the Investment Policy Statements adopted by the Board. Directing UTIMCO in areas other than core investment functions, such as relations with the media, intergovernmental relations, decisions regarding institution of claims and waiver of claims, and public disclosure issues.

### 3.3 Audit

The Chancellor, as chief executive officer of the System, is responsible for ensuring the implementation of appropriate audit procedures for the System. Accordingly, the System Director of Audits prepares an executive summary of all internal audit activity by the System internal auditors and the institutional internal auditors for the Chancellor.

#### 3.31 System Director of Audits (last amended 11/13/03)

The System Director of Audits is responsible for coordinating the effective auditing of the System as set out in Subparagraph 3.312 of this Chapter. The System Director of Audits provides audit assistance to the Chancellor, the Executive Vice Chancellors, and the Vice Chancellors in the exercise of their responsibilities.

##### 3.311 Appointment

The System Director of Audits shall be appointed by the Audit, Compliance, and Management Review Committee after nomination by the Chancellor. The System Director of Audits shall hold office without fixed term, subject to the pleasure of the Chancellor. The Chancellor's actions regarding the System Director of Audits are subject to review and approval by the Audit, Compliance, and Management Review Committee.

##### 3.312 Duties and Responsibilities

The primary responsibilities of the System Director of Audits include developing a System-wide internal audit plan based on a System-wide risk assessment and coordinating the implementation of this plan with the institutional internal auditors. This System-wide audit plan is submitted to the Audit, Compliance, and Management Review Committee for review and approval after the Chancellor's review and approval. Responsibilities of the System Director of Audits also include conducting audits of the System including the revenue produced from the Permanent University Fund lands and formulating policies for the internal audit activity at each component institution.

3.313 The System Director of Audits serves as the chief audit executive.

3.32 The System internal auditors are the internal auditors for the System and

augment the audit work of the institutional internal auditor and the State Auditors at the component institutions.

3.4 Compliance (last amended 8/7/03)

The Chancellor, as chief executive officer of the System, is responsible for ensuring the implementation of a compliance program for the System. Accordingly, the System-wide Compliance Officer prepares an executive summary of all compliance activity of the component institutions, UTIMCO, and System Administration.

3.41 System-Wide Compliance Officer

The System-wide Compliance Officer is responsible, and will be held accountable for, apprising the Chancellor and the Audit, Compliance, and Management Review Committee of the institutional compliance functions and activities at System Administration, UTIMCO, and at each of the component institutions as set out in Subparagraph 3.412 of this Chapter. The System-wide Compliance Officer provides institutional compliance assistance to the Chancellor, the Executive Vice Chancellors, the Vice Chancellors, and the Chief Compliance Officer of UTIMCO in the exercise of their responsibilities.

3.411 Appointment

The System-wide Compliance Officer shall be appointed by the Chancellor. The System-wide Compliance Officer is the senior compliance official of The University of Texas System; provides assistance and advice covering all component, UTIMCO, and System Administration compliance programs; and shall hold office without fixed term, subject to the pleasure of the Chancellor.

3.412 Duties and Responsibilities

The primary responsibilities of the System-wide Compliance Officer include developing an infrastructure for the effective operation of The University of Texas System Institutional Compliance Program; chairing the System-wide Compliance Committee and the Compliance Officers Council; and prescribing the format for the annual risk based compliance plan and the quarterly compliance status reports to be submitted by each component institution, UTIMCO, and System Administration.

Sec. 4. Executive Vice Chancellor for Academic Affairs

The Executive Vice Chancellor for Academic Affairs has line responsibility for the conduct of the academic affairs of the System. The presidents of the general academic institutions in the System report to and are responsible to the Executive Vice Chancellor for Academic Affairs. The Executive Vice Chancellor for Academic Affairs reports to and is responsible to the Chancellor. The Executive Vice Chancellor for Academic Affairs is responsible for the programs of the System related to academic affairs. The Executive Vice Chancellor for Academic Affairs has direct access to the Board of Regents and is expected to work directly with the appropriate committees of the Board in discharging the duties of the office.

4.1 Appointment (last amended 11/13/02)

The Executive Vice Chancellor for Academic Affairs shall be appointed by the Chancellor and shall hold office without fixed term, subject to the pleasure of the Chancellor.

4.2 Duties and Responsibilities

The primary responsibilities of the Executive Vice Chancellor for Academic Affairs include:

- 4.21 Providing assistance to the Chancellor and other U. T. System officials in the execution of their responsibilities.
- 4.22 Submitting recommendations to the Chancellor regarding the maintenance of high academic quality in the general academic component institutions of the System.
- 4.23 Reviewing and making recommendations on the budgets, academic planning and programs, facilities planning and construction, and personnel (both academic and nonacademic) of the academic component institutions.
- 4.24 In consultation with the Chancellor, ensuring that appropriate internal controls are implemented and monitored in the general academic component institutions of the System.
- 4.25 Ensuring that the governance requirements for accreditation not specifically covered elsewhere in these policies, procedures, and Rules and Regulations are met.
- 4.26 Reporting the accreditation status of the academic institutions to the Chancellor and to the Board of Regents periodically.
- 4.27 Supervising and directing the operations of the U. T. TeleCampus, including coordination of all activities related to a virtual campus and assessment of distance education effectiveness in the U. T. System.
- 4.28 Serving as System liaison to the U. T. System Faculty Advisory Council and the Student Advisory Council.
- 4.29 Performing such other duties as may be assigned by the Chancellor.

Sec. 5. Executive Vice Chancellor for Business Affairs (*editorially amended 9/04*)

The Executive Vice Chancellor for Business Affairs reports to the Chancellor and is responsible for the direction of those offices and supervision of those areas of responsibility set forth in Subsection 5.2 of this Chapter. The Executive Vice Chancellor for Business Affairs has direct access to the Board of Regents and is expected to work directly with the appropriate committees of the Board in discharging the duties of the office.

5.1 Appointment (*last amended 11/13/02*)

The Executive Vice Chancellor for Business Affairs shall be appointed by the Chancellor and shall hold office without fixed term, subject to the pleasure of the Chancellor.

5.2 Duties and Responsibilities (*last amended 8/7/03*) (*editorially amended 11/03 and 9/04*)

The primary responsibilities of the Executive Vice Chancellor for Business Affairs include:

- 5.21 Providing assistance to the Chancellor and other U. T. System officials in the execution of their responsibilities.
- 5.22 Submitting recommendations to the Chancellor and the Executive Vice Chancellors on business operations of the component institutions of the System.
- 5.23 Reviewing and making recommendations on uniform business systems and management.
- 5.24 Submitting recommendations relating to programs for the most efficient management of personnel and resources.
- 5.25 Submitting recommendations for program development for training of personnel in nonacademic areas.

- 5.26 Reviewing and making recommendations on programs of long-range planning for physical facilities and financial resources.
- 5.27 Reviewing and making recommendations relating to police and security matters within the System.
- 5.28 Coordinating the business affairs of the System with other officers and members of the System Administration staff.
- 5.29 In consultation with the appropriate Executive Officer, coordinating the activities of business administrative operations of the component institutions.
- 5.2(10) Managing the operations of the offices listed below through such internal administrative organization as he/she deems to be appropriate:
  - Office of the Associate Vice Chancellor for Business Affairs
  - Office of Historically Underutilized Business Development
  - Office of the Director of Police
  - Office of the Assistant Vice Chancellor and Controller
  - Budget Office
  - Office of Business and Administrative Services
  - Director of Accounting regarding System Administration accounts
  - Office of the Assistant Vice Chancellor for Finance
  - Office of the Assistant Vice Chancellor for Facilities Planning and Construction
  - Real Estate Office
  - West Texas Operations
    - University Lands Accounting Office
    - Surface Interests
    - Oil, Gas & Mineral Interests
  - Office of Human Resources
  - Office of Employee Group Insurance
  - Office of Technology and Information Services
- 5.2(11) Directing procedures and policies of System on utilization of historically underutilized business firms.
- 5.2(12) Directing the review, consolidation, and preparation of internal financial management reports, combined System financial reports, and directing the budget process for the System.
- 5.2(13) Implementing policy for the receipt, disbursement, and custody of non-investment funds and for terms of depository agreements with banks.
- 5.2(14) Forwarding debt issues for approval by the Board of Regents.
- 5.2(15) Directing matters concerning new construction and renovation projects throughout the System.
- 5.2(16) Supervising and coordinating the acquisition, lease, disposition, and/or management of all real property owned or controlled by the Board with a goal of maximizing the income to be realized from the operation, lease, or conveyance of these properties. In discharging this responsibility, the Executive Vice Chancellor for Business Affairs shall work closely with the appropriate Executive Officer and component institution president with regard to the management and conveyance of real property owned or controlled by the Board for the benefit of a particular institution. The Executive Vice Chancellor for Business Affairs shall establish procedures that assure effective coordination with the Executive Director for Development and Gift Planning Services with regard to gifts of real property to the Board.
- 5.2(17) Overseeing University Lands operations to maximize revenue, improve and sustain the productivity of University Lands; managing the groundwater resources on University Lands and approval of all related policies, terms, and lease provisions.

- 5.2(18) Overseeing planning, development, and coordination of personnel policies and procedures, compensation, benefits, unemployment compensation, equal opportunity/affirmative action, and employment.
- 5.2(19) Directing the management of the System-wide property, liability, and employee group insurance programs (except the System Professional Medical Liability Benefit Plan), including approval of all policies and coverages.
- 5.2(20) Overseeing the System-wide use of information technology and development of strategies.
- 5.2(21) Coordinating information technology issues for System Administration.
- 5.2(22) Implementing and monitoring appropriate internal controls in all internal administrative operations listed in Subdivision 7.2(10) of this Chapter.
- 5.2(23) Serving as System liaison to the U. T. System Employee Advisory Council.
- 5.2(24) Designating and supervising the System liaison to UTIMCO, overseeing audits and investment performance assessments of UTIMCO, and reviewing budgetary and investment reports submitted by UTIMCO.
- 5.2(25) Performing such other duties as may be assigned by the Chancellor.

Sec. 6. Executive Vice Chancellor for Health Affairs (editorial renumbering 9/04)

The Executive Vice Chancellor for Health Affairs has line responsibility for the conduct of health-related education and the delivery of health services in the System. The president of each health-related institution in the System reports to and is responsible to the Executive Vice Chancellor for Health Affairs. The Executive Vice Chancellor for Health Affairs reports to and is responsible to the Chancellor. The Executive Vice Chancellor for Health Affairs has direct access to the Board of Regents and is expected to work directly with the appropriate committees of the Board in discharging the duties of the office.

5.1 Appointment (last amended 11/13/02)

The Executive Vice Chancellor for Health Affairs shall be appointed by the Chancellor and shall hold office without fixed term, subject to the pleasure of the Chancellor.

5.2 Duties and Responsibilities

The Executive Vice Chancellor for Health Affairs shall provide assistance to the Chancellor and other U. T. System officials in the execution of their responsibilities. The Executive Vice Chancellor for Health Affairs shall have as a prime responsibility the maintenance of high academic quality in the health-related teaching institutions and high quality health services in the health-care delivery institutions of the System. The Board through its policies, procedures, and Rules and Regulations maintains its governance responsibilities, and acknowledges the importance of maintaining accreditation for hospital, clinic, and other patient-care facilities. Because of the complexity and diversity of the System, the Executive Vice Chancellor for Health Affairs is delegated the responsibility for ensuring the governance requirements for accreditation not specifically covered elsewhere in these policies, procedures, and Rules and Regulations are met. The Executive Vice Chancellor for Health Affairs will report the accreditation status to the Board on a periodic basis. Through the presidents of the component institutions, he or she shall have responsibility for the budgets, academic planning and programs, facilities planning and construction, and personnel (both academic and nonacademic) of those component institutions. In consultation with the Chancellor, the Executive Vice Chancellor for Health Affairs shall prepare recommendations and supporting information on such matters for consideration by the appropriate standing committees of the Board and the Board of Regents. The Executive Vice Chancellor

for Health Affairs is responsible and accountable for ensuring that appropriate internal controls are implemented and monitored in the health-related teaching institutions and the health-care delivery institutions.

Sec. 7. Vice Chancellor for Administration (added 11/13/02) (editorial renumbering 9/04)

The Vice Chancellor for Administration reports to the Chancellor and is responsible for administrative matters related to the policies and systems of The University of Texas System Administration. The Vice Chancellor for Administration acts as the liaison between the Office of the Chancellor and communities and customers served, as requested by the Chancellor. The Vice Chancellor for Administration has direct access to the Board of Regents of The University of Texas System and is expected to work directly with appropriate committees of the Board in discharging the duties of the office.

7.1 Appointment

The Vice Chancellor for Administration shall be appointed by the Chancellor and shall hold office without fixed term, subject to the pleasure of the Chancellor.

7.2 Duties and Responsibilities

The primary responsibilities of the Vice Chancellor for Administration include:

- 7.21 Serving as primary contact from the Office of the Chancellor for administrative matters related to U. T. System strategic and operational initiatives.
- 7.22 Representing the Office of the Chancellor on committees and task forces with state, federal and executive entities.
- 7.23 Collaborating with U. T. System leaders to promote and enhance organizational effectiveness and efficiency through development and deployment of processes, systems, and procedures in accordance with System mission, and Regental and System goals, policies, and directiveness.
- 7.24 Completing special projects as directed by the Chancellor.
- 7.25 Directing the preparation, analysis, monitoring, and evaluation of activities and recommendations that ensure the goals of the U. T. System are being met from the perspective of the Office of the Chancellor.
- 7.26 Assessing efficiency of organizational structure and systems.
- 7.27 Participating in the development of U. T. System strategic plans and programs as the representative of the Chancellor.
- 7.28 Providing technical/professional advice, knowledge, and assistance to the Chancellor regarding ongoing and proposed administrative activities within the U. T. System.
- 7.29 Serving as the primary liaison to the Office of the Board of Regents on administrative issues and joint projects.
- 7.2(10) Performing such other duties as may be assigned by the Chancellor.

Sec. 8. Vice Chancellor for Community Relations (editorial renumbering 12/02)

The Vice Chancellor for Community Relations reports to the Chancellor and is responsible for coordinating the effective representation of the U. T. System in the area of community relations. The Vice Chancellor for Community Relations has direct access to the Board of Regents of The University of Texas System and is expected to work directly with appropriate committees of the Board in discharging the duties of the office.

8.1 Appointment (last amended 11/13/02)

The Vice Chancellor for Community Relations shall be appointed by the Chancellor and shall hold office without fixed term, subject to the pleasure of the Chancellor.

## 8.2 Duties and Responsibilities

The primary responsibilities of the Vice Chancellor for Community Relations include:

- 8.21 Providing assistance to the Chancellor and other U. T. System officials in the execution of their responsibilities.
- 8.22 Representing the Board of Regents of the U. T. System in its relations with community-based organizations and professional associations, including State of Texas legislative bodies and agencies.
- 8.23 Making recommendations to the Chancellor in the area of public policy as it affects the relationship of the System with community-related organizations and professional associations, including State of Texas legislative bodies and agencies.
- 8.24 Informing appropriate administrative officers of current operations and long-term developments on the local, State, and national level, which may affect the System.
- 8.25 Maintaining and distributing information and advising appropriate System Administration and component institution officials in order to assure proper action by the System with respect to State of Texas and national community relations programs and activities.
- 8.26 Defining the job responsibilities, the assignment of duties, and supervising staff members employed in or assigned to work in the community relations area.
- 8.27 Performing such other duties as may be assigned by the Chancellor.

## Sec. 9. Vice Chancellor for External Relations *(editorially amended 11/03)*

The Vice Chancellor for External Relations reports to the Chancellor and is responsible for the programs of the System related to private sector support, alumni relations, public information, and external constituencies as set out in Subsection 9.2 of this Chapter. The Vice Chancellor for External Relations has direct access to the Board of Regents of The University of Texas System and is expected to work directly with appropriate committees of the Board in discharging the duties of the office.

### 9.1 Appointment *(last amended 11/13/02)*

The Vice Chancellor for External Relations shall be appointed by the Chancellor and shall hold office without fixed term, subject to the pleasure of the Chancellor.

### 9.2 Duties and Responsibilities *(editorially amended 9/04)*

The primary responsibilities of the Vice Chancellor for External Relations include:

- 9.21 Providing assistance to the Chancellor and other U. T. System officials in the execution of their responsibilities.
- 9.22 The development, organization, and administration of activities to obtain private sector funding for programs of the System.
- 9.23 The formal acceptance, processing, and administration (excluding investment management) of gifts as assigned which conform to all relevant laws and Board policies.
- 9.24 Promulgating the "U. T. System Gift Acceptance Procedures" and preparing other guidance documents relating to acceptance, processing, and administration (excluding investment management) of gifts for the U. T. System and the component institutions.
- 9.25 Making recommendations with respect to the acceptance of all proposed gifts and approval of all other actions related to the processing and administration of gifts managed by the Office of External Relations, the terms of which do not conform to all relevant laws and Board policies.



- 9.26 Reporting to the Board on gifts processed and administered by the Office of External Relations and on annual gift totals of the component institutions.
- 9.27 The organization and administration of programs for providing information to the public relating to the System and coordinating those programs with the public information programs of the component institutions.
- 9.28 Directing the administration of the System Office of Special Services.
- 9.29 Directing the administration of the System Office of Development and Gift Planning Services.
- 9.2(10) Directing the administration of the System Office of Public Affairs.
- 9.2(11) To assist in the development, organization, and administration of programs and activities related to alumni of System component institutions in coordination with appropriate personnel of the component institutions.
- 9.2(12) Coordinating the policies and activities of the System and the component institutions related to internal and external foundations that provide support for the System and the component institutions.
- 9.2(13) The performance of such other duties and responsibilities as may be assigned by the Chancellor.

Sec. 10. Vice Chancellor for Educational System Alignment (added 2/13/03)

The Vice Chancellor for Educational System Alignment reports to and is responsible to the Executive Vice Chancellor for Academic Affairs. The Vice Chancellor for Educational System Alignment provides staff responsibility to the Executive Vice Chancellor for Academic Affairs for the coordination of effective representation of the U. T. System with the public education system of Texas. The Vice Chancellor for Educational System Alignment shall have direct access, as needed, to consult with the Chancellor on issues related to public education.

10.1 Appointment and Termination

The Vice Chancellor for Educational System Alignment shall be appointed by the Chancellor. The Vice Chancellor for Educational System Alignment shall hold office without fixed term, subject to the pleasure of the Executive Vice Chancellor for Academic Affairs and the Chancellor.

10.2 Duties and Responsibilities

The primary responsibilities of the Vice Chancellor for Educational System Alignment include:

- 10.21 Providing assistance to the Executive Vice Chancellor for Academic Affairs, the Chancellor, and other U. T. System officials in the execution of their responsibilities.
- 10.22 Representing the Board of Regents and other officials of The University of Texas System in its relations with all organizations and agencies involved with public education.
- 10.23 Making recommendations to the Executive Vice Chancellor for Academic Affairs and the Chancellor in the area of public policy as it affects the relationship of the public education system.
- 10.24 Informing appropriate administrative officers of current operations and long-range developments in public education that may affect the System.
- 10.25 Maintaining and distributing information to and advising appropriate System Administration and component institution officials in order to assure proper action by the System with respect to public education programs and activities.
- 10.26 Interacting with educational officials at all levels regarding the mission,

- needs, and issues of the U. T. System.
- 10.27 Directing the administration of the U. T. System Office of Educational System Alignment and defining the job responsibilities, the assignment of duties, and supervising staff members employed in or assigned to work in the Educational System Alignment area.
- 10.28 Supervising and directing the operations of the U. T. TeleCampus, including coordination of all activities related to a virtual campus and assessment of distance education effectiveness in the U. T. System.
- 10.29 Performing such other duties as may be assigned by the Executive Vice Chancellor for Academic Affairs and the Chancellor.

Sec. 11. Vice Chancellor for Federal Relations (editorial renumbering 2/03)

The Vice Chancellor for Federal Relations reports to the Chancellor and is responsible for coordinating the effective representation of The University of Texas System at the federal level before all branches of the federal government.

11.1 Appointment (last amended 11/13/02)

The Vice Chancellor for Federal Relations shall be appointed by the Chancellor and shall hold office without fixed term, subject to the pleasure of the Chancellor.

11.2 Duties and Responsibilities

The primary responsibilities of the Vice Chancellor for Federal Relations include:

- 11.21 Providing assistance to the Chancellor and other U. T. System officials in the execution of their responsibilities.
- 11.22 Representing the Board of Regents and other officials of The University of Texas System in its relations with all branches of the federal government.
- 11.23 Making recommendations to the Chancellor in the area of public policy as it affects the relationship of the System with the federal government.
- 11.24 Informing appropriate administrative officers of current operations and long-range developments on the federal level that may affect the System.
- 11.25 Maintaining and distributing information to and advising appropriate System Administration and component institution officials in order to assure proper action by the System with respect to federal governmental programs and activities.
- 11.26 Interacting with federal government officials at all levels regarding the mission, needs, and issues of the U. T. System and coordinating System initiatives at the federal level with the broader higher education community.
- 11.27 Directing the administration of the U. T. System Office of Federal Relations and defining the job responsibilities, the assignment of duties, and supervising staff members employed in or assigned to work in the federal relations area.
- 11.28 Performing such other duties as may be assigned by the Chancellor.

Sec. 12. Vice Chancellor and General Counsel (editorial renumbering 2/03)

The Vice Chancellor and General Counsel reports to the Chancellor and is responsible for the provision of legal services to the Board of Regents of The University of Texas System as set out in Subsection 12.2 of this Chapter. The Vice Chancellor and General Counsel has direct access to the Board of Regents of The University of Texas System and is expected to work directly with appropriate committees of the Board in discharging the duties of the office.

12.1 Appointment (last amended 11/13/02)

The Vice Chancellor and General Counsel shall be appointed by the Chancellor and shall hold office without fixed term, subject to the pleasure of the Chancellor.

12.2 Duties and Responsibilities (last amended 8/12/04)

The primary responsibilities of the Vice Chancellor and General Counsel include:

- 12.21 Providing assistance to the Chancellor and other U. T. System officials in the execution of their responsibilities.
- 12.22 Providing legal services, in conjunction with the Counsel and Secretary to the Board of Regents, required by the Board of Regents of The University of Texas System and its personnel to ensure the proper protection and advancement of the System's interests.
- 12.23 Maintaining the supervision and delivery of legal services at a high level of effectiveness.
- 12.24 Directing and managing all legal personnel and legal affairs of the System, its units and its component institutions.
- 12.25 Providing advice, counsel, and legal interpretations to System officials and personnel concerning legal matters affecting System operations.
- 12.26 Directing the Office of Vice Chancellor and General Counsel personnel with respect to work priorities and assignments, standards of performance, and career development; delegating to staff members responsibility for particular legal and administrative tasks; and coordinating and controlling budget and personnel levels.
- 12.27 Directing and managing (within applicable limits of authority) all litigation and administrative agency hearings; authorizing and approving the institution of legal proceedings; evaluating, directing and approving action and procedures relative to prosecution or defense of pending litigation and administrative proceedings; employing outside counsel; authorizing and approving settlement of claims, disputes, and litigation as authorized in Part Two, Chapter XI, Section 3 of these Rules and Regulations; and authorizing and approving appeal of litigation.
- 12.28 Advising, counseling, and disseminating information to affected System units relative to the nature, evaluation, progress, and results of litigation, administrative proceedings, and other legal matters, and making recommendations to System officials and other personnel as to future operations and objectives.
- 12.29 Reviewing and making recommendations regarding the form of institutional Handbooks of Operating Procedures, whether finally approved or not, and all amendments to such Handbooks.
- 12.2(10) Advising the Office of Governmental Relations concerning the drafting of legislation that has been approved by the Board or requested by any System officer for submission to the Board for approval and providing legal counsel on pending legislation.
- 12.2(11) Identifying and evaluating administrative and functional problems and directing or recommending, as appropriate, courses of action for solution.
- 12.2(12) Representing the System before legal, educational, and governmental groups and associations.
- 12.2(13) Acting as administrator of the System Professional Medical Liability Benefit Plan.
- 12.2(14) Working in cooperation with the Attorney General of the State of Texas, State agency legal counsel, and outside counsel.
- 12.2(15) Assuming responsibility for any other legal, administrative or operational matters delegated by the Chancellor.
- 12.2(16) Establishing and maintaining guidelines regarding the legal review and form of contracts and agreements, and recordkeeping requirements.

- 12.2(17) Legal review and approval of the form of all amendments to the Regents' Rules and Regulations.
- 12.2(18) Providing counsel, advice, and legal interpretations to the Board, the Chancellor, and other System officials concerning UTIMCO-related issues.
- 12.2(19) Performing such other duties as may be assigned by the Chancellor.

Sec. 13. Vice Chancellor for Governmental Relations and Policy (*last amended 2/13/03*)

The Vice Chancellor for Governmental Relations and Policy reports to the Chancellor and is responsible for coordinating the effective representation of the System in the area of governmental affairs as set out in Subsection 13.2 of this Chapter. The Vice Chancellor for Governmental Relations and Policy has direct access to the Board of Regents of The University of Texas System and is expected to work directly with appropriate committees of the Board in discharging the duties of the office.

13.1 Appointment

The Vice Chancellor for Governmental Relations and Policy shall be appointed by the Chancellor and shall hold office without fixed term, subject to the pleasure of the Chancellor.

13.2 Duties and Responsibilities

The primary responsibilities of the Vice Chancellor for Governmental Relations and Policy include:

- 13.21 Providing assistance to the Chancellor and other U. T. System officials in the execution of their responsibilities.
- 13.22 Representing the Board of Regents of The University of Texas System in its relations with State of Texas and local legislative bodies and agencies.
- 13.23 Making recommendations to the Chancellor in the area of public policy as it affects the relationship of the System with State of Texas and local governments.
- 13.24 Informing appropriate administrative officers of current operations and long-range developments on the State level, which may affect the System.
- 13.25 Maintaining and distributing information and advising appropriate System Administration and component institution officials, in order to assure proper action by the System with respect to State of Texas and local governmental programs and activities.
- 13.26 Defining the job responsibilities, the assignment of duties, and supervising staff members employed in or assigned to work in the governmental affairs area.
- 13.27 Performing such other duties as may be assigned by the Chancellor.

Sec. 14. Vice Chancellor for Health Affairs (*editorial renumbering 2/03*)

The Vice Chancellor for Health Affairs reports to and is responsible to the Executive Vice Chancellor for Health Affairs. The Vice Chancellor for Health Affairs provides staff responsibility to the Executive Vice Chancellor for Health Affairs for the conduct of health-related education and the delivery of health services in the System. The Vice Chancellor for Health Affairs has line responsibility for management of the Texas Medical and Dental Schools Application Service.

14.1 Appointment (*last amended 11/13/02*)

The Vice Chancellor for Health Affairs shall be appointed by the Executive Vice Chancellor for Health Affairs after approval by the Chancellor. The Vice Chancellor

for Health Affairs shall hold office without fixed term, subject to the pleasure of the Executive Vice Chancellor for Health Affairs and the Chancellor.

14.2 Duties and Responsibilities

The Vice Chancellor for Health Affairs shall provide staff support to the Executive Vice Chancellor for Health Affairs for the maintenance of high academic quality in the health-related teaching institutions and high quality health services in the health-care delivery institutions of the System. The Vice Chancellor for Health Affairs shall provide assistance to the Chancellor and other U. T. System officials in the execution of their responsibilities. The Vice Chancellor for Health Affairs shall assist the Executive Vice Chancellor for Health Affairs in development of the budgets, in academic planning and programs, in facilities planning and construction, in personnel management in the health component institutions, in preparing recommendations and supporting information on such matters for consideration by the appropriate standing committees of the Board of Regents, and in ensuring compliance with applicable laws, rules, and policies, and that appropriate internal controls are implemented and monitored in the health-related teaching institutions and the health-care delivery institutions. The Vice Chancellor for Health Affairs shall have a major responsibility for developing strategies to facilitate participation of the health component institutions and their affiliates in health delivery systems and in providing liaison between the health component institutions and their affiliates with the U. T. System employee health benefit plans.

Sec. 15. Vice Chancellor for Research and Technology Transfer (added 2/13/03)

The Vice Chancellor for Research and Technology Transfer reports to the Chancellor and is responsible for efforts to enhance and coordinate research and technology development and transfer matters related to The University of Texas System.

15.1 Appointment

The Vice Chancellor for Research and Technology Transfer shall be appointed by the Chancellor and shall hold office without fixed term, subject to the pleasure of the Chancellor.

15.2 Duties and Responsibilities

The primary responsibilities of the Vice Chancellor for Research and Technology Transfer include:

- 15.21 Developing and implementing strategies to expand and enhance research funding to U. T. System institutions.
- 15.22 Facilitating collaboration among U. T. System institutions to develop joint proposals to increase grants and contracts from external sources.
- 15.23 Assisting U. T. System institutions with compliance and accountability issues related to research and technology development and transfer.
- 15.24 Fostering effective relationships among the university community, governmental entities, foundations and institutes, and the private sector, to promote research and technology development activities.
- 15.25 Enhancing efforts to improve technology management and development activities.
- 15.26 Reviewing and assessing the performance of technology management and development activities.
- 15.27 Performing such other duties as may be assigned by the Chancellor.

Sec. 16. Vice Chancellor for Special Engineering Programs (editorial renumbering 2/03)

The Vice Chancellor for Special Engineering Programs reports to the Chancellor and is

responsible for coordinating special engineering programs of the System.

16.1 Appointment (last amended 11/13/02)

The Vice Chancellor for Special Engineering Programs shall be appointed by the Chancellor and shall hold office without fixed term, subject to the pleasure of the Chancellor.

16.2 Duties and Responsibilities

The primary responsibilities of the Vice Chancellor for Special Engineering Programs include:

- 16.21 Providing assistance to the Chancellor and other U. T. System officials in the execution of their responsibilities.
- 16.22 Overseeing the Amarillo National Research Center, a University Consortium consisting of the U. T. System, The Texas A&M University System, and Texas Tech University System.
- 16.23 Providing advice and information on development of a sound scientific program related to nuclear weapons dismantlement and other special engineering projects.
- 16.24 Performing such other duties as may be assigned by the Chancellor.

Sec. 17. Officers of System Administration and Other Code 1000 Staff (editorial renumbering 2/03)

17.1 Executive Officers (editorially amended 11/03 and 9/04)

For purposes of these Rules and Regulations, the Chancellor, the Executive Vice Chancellor for Academic Affairs, the Executive Vice Chancellor for Business Affairs, the Executive Vice Chancellor for Health Affairs, the Vice Chancellor for Administration, the Vice Chancellor for Community Relations, the Vice Chancellor for External Relations, the Vice Chancellor for Educational System Alignment, the Vice Chancellor for Federal Relations, the Vice Chancellor and General Counsel, the Vice Chancellor for Governmental Relations and Policy, the Vice Chancellor for Health Affairs, the Vice Chancellor for Special Engineering Programs, the Vice Chancellor for Research and Technology Transfer, and the Associate Vice Chancellor for Business Affairs are the Executive Officers of The University of Texas System.

17.2 Other Code 1000 Staff and Officers of System Administration

Staff and officers of System Administration designated as code 1000 shall be appointed by the Chancellor, the Executive Vice Chancellors, or Vice Chancellors to whom they will report, and shall have appropriate job descriptions on file with the Office of Human Resources. Persons so appointed shall not have tenure by virtue of their respective positions. They shall serve without fixed term, subject to the pleasure of the officer to whom they report. The actions of the appointing officer concerning such positions are in turn subject to review and approval by the Chancellor or the Board as required by the Regents' Rules and Regulations.

Sec. 18. Councils of the System (editorial renumbering 2/03)

18.1 The System Council

The System Council is composed of the U. T. System Executive Officers and the presidents of all the component institutions of The University of Texas System. The Chancellor shall serve as the Council's permanent Chairman and shall conduct regular meetings to discuss those matters of general concern to the operation of The University of Texas System.

18.2 The Council of Academic Institutions

The Council of Academic Institutions is composed of the Executive Vice Chancellor for Academic Affairs and the presidents of the general academic institutions of the System. The other U. T. System Executive Officers serve as ex officio members of this Council. The Executive Vice Chancellor for Academic Affairs shall serve as the Council's permanent Chairman and shall conduct regular meetings to review common problems of planning, development, and operation of the several institutions represented.

18.3 The Council of Health Institutions

The Council of Health Institutions is composed of the Executive Vice Chancellor for Health Affairs and the presidents of the component institutions of the System concerned directly with health affairs. The other U. T. System Executive Officers serve as ex officio members of this Council. The Executive Vice Chancellor for Health Affairs shall serve as the Council's permanent Chairman and shall conduct regular meetings to review common problems of planning, development, and operation of the several institutions represented.

18.4 The Business Management Council (*editorially amended 9/03 and 9/04*)

The Business Management Council advises the System Administration in the areas of component institution budgeting, business management, data processing, physical plant operations, planning, construction, and accounting systems development. The Council is composed of the Executive Vice Chancellor for Business Affairs and the chief business officers of the component institutions. The other U. T. System Executive Officers, or their delegates, serve as ex officio members of this Council. The Executive Vice Chancellor for Business Affairs shall serve as the Council's permanent Chairman and shall conduct regular meetings of the Council.

Sec. 19. Presidents of Component Institutions (*editorial renumbering 2/03*)

19.1 Selection

The Board selects the president of each component institution.

19.11 When there is a vacancy or it is known that there is to be a vacancy in the office of a president of a component institution having faculty and students and the Board does not have candidate(s) from recent searches at other component institutions, from within the U. T. System, and/or of national prominence from outside the U. T. System to advance for consideration, an Advisory Committee shall be established to recommend candidates to the Board. The Executive Vice Chancellor for Health Affairs or the Executive Vice Chancellor for Academic Affairs shall be Chairman of the Advisory Committee. In circumstances where this Executive Vice Chancellor may be a candidate for the office, the Chairman of the Advisory Committee shall be the Chancellor or the Chancellor's designee. Including the Chairman, committee membership is as follows:

Two Regents;

(to be appointed by the Chairman of the Board)

Two Presidents;

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

The Chancellor;

The Executive Vice Chancellor for Academic Affairs or Health Affairs;

Three faculty members of the institution involved, at least two of whom shall have the rank of associate professor or higher; (method of selection to be determined by the faculty governance of the

- campus)
- One Dean;  
(for academic institutions to be selected by Dean's Council of the institution involved) (for health-related institutions to be the Dean of the Medical School involved or in the absence of that position a senior representative of the teaching program of the component institution selected by the Chairman of the Board)
- One student from the institution involved;  
(method of selection to be determined by the student governance of the campus involved or, if there is no student governance, by the Chairman of the Board; if the component institution does not have students, this category of representation shall be omitted)
- President of the Ex-Students' Association of the campus involved; (if the institution does not have an active alumni organization, then an alumnus of the component institution selected by the Chairman of the Board of Regents; if the component institution does not have degree granting authority, this category shall be omitted)
- One nonfaculty employee of the institution involved;  
(method of selection to be determined by the staff or employee council of the institution involved or, if there is no staff or employee council, by the Chairman of the Board)
- Two representatives of the component institution's external constituency who have demonstrated a deep interest in and support of the institution, its programs and its role in community activities to be appointed by the Chairman of the Board. Where a component institution has a statewide mission; special area programmatic relationships or partnerships with junior or community colleges, private universities or public schools, business/corporate entities, community or public service agencies; or other unique constituencies, the Chairman of the Board may appoint additional representatives.

Campus constituent groups with responsibility for selection of Advisory Committee representatives are expected to consider diversity, particularly as it relates to minority and female representation. Unless there are unusual delays in faculty, staff, or student representative selection which postpone initiation of the committee process, the Chairman of the Board will make his or her appointments to the Advisory Committee after campus selections in order to maximize the prospect that the total committee composition reflects diversity. The Chairman's appointments to the Advisory Committee will be made following due consideration of input from members of the Board, the institutional leadership, and community leaders related to the Committee composition.

19.12 Advisory Committee

The Advisory Committee shall set up selection criteria that relate to the needs of the individual component institution, initiate mechanisms to develop an appropriate candidate pool, seek information on the several candidates, and inquire from competent sources as to the candidates' academic, administrative, and business ability. The Committee may also interview candidates as a part of its selection process keeping in mind that the confidentiality of the process is important to its ultimate success.

19.13 Recommendations to the Board

Finally, the Advisory Committee shall submit, through its Chairman, a recommended list of not less than five or more than 10 candidates with no preference indicated. If fewer names are provided, the Committee shall provide reasons and the submission of less than five candidates is



to be with the concurrence of the Regental representatives on the Committee. Candidates submitted shall have received a majority vote of the Committee. The recommended list should be developed and submitted without regard to the Advisory Committee's assessment of the potential availability of any candidate. If none of the names submitted in the report of the Advisory Committee is satisfactory to the Board, then the Board in its discretion may either name a new committee or proceed to select a president under such other procedures as in its discretion it may deem proper and appropriate.

19.14 Alternate Process

When the Board has candidate(s) from recent searches at other component institutions, from within the U. T. System, and/or of national prominence from outside the U. T. System to advance for consideration, the Chairman of the Board of Regents shall appoint a Special Committee to provide the Board of Regents with advice and evaluation consistent with that usually provided by an Advisory Committee. The Special Committee shall be composed as specified above for the Advisory Committee but will not include members of the Board of Regents. The advice of the Special Committee shall be provided to the Board through the Executive Vice Chancellor for Health Affairs, the Executive Vice Chancellor for Academic Affairs, or the Chancellor. The Special Committee shall not extend its consideration beyond those nominees referred to it by the U. T. Board of Regents without specific concurrence from the Board.

19.2 Reporting

The president reports to and is responsible to the Executive Vice Chancellor having responsibility for the institution. The president has access to the Chancellor and is expected to consult with the appropriate Executive Vice Chancellor and the Chancellor on significant issues on an as needed basis.

19.3 Term and Removal from Office

The president serves without fixed term, subject to the pleasure of the appropriate Executive Vice Chancellor and approval by the Chancellor and the Board. When circumstances warrant or require such action, the Chancellor may take interim action involving a president, including but not limited to suspension or leave of absence, pending approval by the Board.

19.4 Duties and Responsibilities

Within the policies and regulations of the Board and under the supervision and direction of the appropriate Executive Vice Chancellor, the president has general authority and responsibility for the administration of that institution.

19.41 Specifically, the president is expected, with the appropriate participation of the staff, to:

- (a) Develop and administer plans and policies for the program, organization, and operation of the institution.
- (b) Interpret the System policy to the staff, and interpret the institution's programs and needs to the System Administration and to the public.
- (c) Develop and administer policies relating to students, and where applicable, to the proper management of services to patients.
- (d) Recommend appropriate operating budgets and supervise expenditures under approved budgets.
- (e) Nominate all members of the faculty and staff, maintain

- efficient personnel programs, and recommend staff members for promotion, retention, or dismissal for cause.
- (f) Ensure efficient management of business affairs and physical property; recommend additions and alterations to the physical plant.
  - (g) Serve as presiding officer at official meetings of faculty and staff of the institution, and as ex officio member of each college or school faculty (if any) within the institution.
  - (h) Appoint, or establish procedures for the appointment of, all faculty, staff, and student committees.
  - (i) Cause to be prepared and submitted to the appropriate Executive Vice Chancellor, the rules and regulations for the governance of the institution. When such rules and regulations have been finally approved by the Chancellor or the appropriate Executive Vice Chancellor, they shall thereafter constitute the Handbook of Operating Procedures for that institution. Provided, however, that whether or not finally approved by the Chancellor, any rule or regulation in any such institutional Handbook of Operating Procedures that is in conflict with any rule or regulation in the Regents' Rules and Regulations, is null and void and has no effect, and whenever any such conflict is detected, the Chancellor and the president of the component institution shall immediately make such amendments to the institutional Handbook of Operating Procedures as may be necessary to eliminate such conflict.
  - (j) Assume initiative in developing long-range plans for the program and physical facilities of the institution.
  - (k) Assume active leadership in developing private fund support for the institution in accordance with policies and procedures established in the Regents' Rules and Regulations.
  - (l) Develop and implement plans and policies to ensure that the institution remains in compliance with any accreditation requirements appropriate to the component institution or its programs, including, for the health component institutions and those academic component institutions with student health services, the accreditation of hospitals, clinics, and patient-care facilities.

Sec. 20. Appointment of Other Officers and Staff (editorial renumbering 2/03)

20.1 Delegation of Certain Institutional Appointments

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

20.2 Additional Delegation

The Board delegates to the Chancellor and the Executive Vice Chancellor having responsibility for the institution and they, in turn, delegate to the president of each

component institution the responsibility for the permanent or acting appointment of department chairmen, department heads, and their equivalents. Such department chairmen, department heads and their equivalents serve without fixed terms and subject to the pleasure of the president of the institution.

20.3 Faculty and Student Consultation

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

Sec. 21. Honorary Titles (editorial renumbering 2/03)

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

Sec. 22. Honorary Degrees (editorial renumbering 2/03)

In accordance with long-standing Board tradition, honorary degrees may be awarded only to a sitting President of the United States. Award of an honorary degree is to be reported to the Board at the next regular meeting of the Board.

## **PART ONE, CHAPTER III**

### **PERSONNEL**

Sec. 1. Appointments

1.1 Board Authority and Delegation

The Board, upon the recommendation of the Chancellor, shall elect or appoint, as the case may be, all of the officers, faculty members, and other employees of the System and of the component institutions and agencies of the System, fixing, subject to State and federal laws, the duties, rights, and privileges of each employee or each class or group of employees; provided, however, that the Board may delegate to the Chancellor, and the Chancellor, through the appropriate Executive Vice Chancellor, may delegate to the presidents of the component institutions, authority to appoint employees in certain designated classes or categories.

1.2 Appointments Based on Merit

All appointments shall be on the basis of merit and shall comply with the provisions of [Texas Education Code Section 51.948](#), which requires that any agreement with higher education administrators be executed only after a finding that the agreement is in the best interest of the U. T. System or the component institution. Authority to make such findings is delegated to the president or chief business officer of the institution and to the Chancellor for employees not covered by Subparagraph 9.282, Chapter I of these Rules.

1.3 Review of Qualifications

The presidents of the component institutions shall investigate thoroughly the character, integrity, scholastic attainment, and other qualifications of prospective members of their faculties and staffs before exercising any delegated authority for making appointments.

1.4 Exemplary Qualifications Required

The presidents of the component institutions shall not nominate or appoint, nor will the Board approve the appointment of, any person whose qualifications and conduct are not exemplary.

1.5 No Religious Qualification

As provided in the [Texas Constitution, Article I, Section 4](#), and by statute, no religious qualification shall be required for appointment to any office or position connected with the System or any component institution thereof.

1.6 Appointment of Faculty (*last amended 5/13/2004*)

All persons employed by a component institution as a member of the faculty shall be given one of the titles specified in Subdivision 1.62 of this Chapter. [Texas Education Code Section 51.943](#) states that faculty members who are to be reappointed shall be offered a written contract at least 30 days prior to the beginning of the academic year. It is important that the content of such contracts appropriately reflect the rights of the component institution and the faculty. Therefore, consistent with statements in prior communications from the Executive Vice Chancellor for Academic Affairs and the Executive Vice Chancellor for Health Affairs to the presidents of the component institutions, the terms and conditions of employment of all faculty members shall be embodied in a Memorandum of Appointment in the format and with the content specified in the standard forms found on the System Web site under the section for the Office of General Counsel of the System.

1.61 Reappointment of Faculty

1.611 Tenured faculty and nontenured faculty who are to be reappointed shall be provided a Memorandum of Appointment at least 30 days prior to the beginning of the academic year.

1.612 If a component institution is unable to offer a Memorandum of Appointment to a tenured faculty member or to a nontenured faculty member who is to be reappointed at least 30 days prior to the beginning of the next academic year, written notification shall be given within such time stating the reason(s) for the inability and specifying the date that a Memorandum of Appointment will be offered.

1.613 If within 60 days after the beginning of an academic year a Memorandum of Appointment has not been offered to a tenured faculty member or to a nontenured faculty member who is to be reappointed, the faculty member must be retained for that academic year on terms that are at least as favorable as the terms for the prior academic year unless the component institution and the faculty member agree upon different terms that are stated in a Memorandum of Appointment.

1.614 If a nontenured faculty member, other than a faculty member appointed to a title provided for in Subparagraph 1.623 of this Chapter, is not to be reappointed or is to receive a terminal year of appointment, notice shall be given the faculty member in accordance with Subdivision 6.23, Subsection 6.7, or

Subsection 6.8 of this Chapter, as appropriate.

1.62 Academic Titles (*editorially amended 9/04*)

In order to achieve consistency in the use of academic titles among the component institutions of the System, the following subdivisions describe the use of titles to apply in all institutions:

1.621 Except for the title Regental Professor and, at U. T. Brownsville, the additional technical titles of Master Technical Instructor, Associate Master Technical Instructor, and Assistant Master Technical Instructor as authorized in the U. T. Brownsville Handbook of Operating Procedures for and in conjunction with associate degree and certificate programs for the educational partnership with Texas Southmost College, the only titles to be used henceforth in which faculty members may hold tenure are as follows:

- (a) Professor
- (b) Associate Professor
- (c) Assistant Professor.

1.622 Persons holding a named chair or professorship or a position designated by academic discipline may be awarded tenure by virtue of appointment to one of the positions listed in Subparagraph 1.621, but not through the named chair or professorship or position designated by academic discipline.

1.623 The following academic titles may also be used by the component institutions. Tenure cannot be awarded to a person appointed to these titles and, with the exception of the titles of Instructor and Technical Instructor, academic service with these titles cannot be counted toward the satisfaction of any maximum probationary period. Appointments to these titles shall be for a period of time not to exceed one academic year except in the case of Lecturer or Senior Lecturer when, in individual cases, appointment may be for periods of time not to exceed three academic years. In individual cases, as determined by a component institution, full-time or part-time appointment to a clinical or research position with a title authorized by Subparagraph 1.623(i) of this Chapter may be for periods of time not to exceed three academic years. With the exception of the titles of Instructor and Technical Instructor, such appointments shall terminate at the expiration of the stated period of appointment without notification of nonrenewal. If a component institution determines that it is to the benefit of the institution, it may offer reappointments to these titles in accordance with Subdivision 1.61 of this Chapter.

(a) Instructor

This title denotes a probationary appointment as a member of an institutional faculty. During the period of probationary appointment to this rank, the scholarly competence, teaching performance, and professional promise of the candidate will be evaluated.

(b) Technical Instructor

This title denotes a probationary appointment as a member of the U. T. Brownsville faculty in associate degree or certificate programs for the educational partnership with Texas Southmost College. During the period of probationary appointment to this rank, the

teaching performance and professional promise of the candidate will be evaluated.

(c) Lecturer

This title may be used for individuals who will serve as teachers and whose experience and qualifications are comparable to those of faculty members in untenured, tenure-track positions. Upon approval by the president, an institution may identify up to three divisions within this rank to be designated Lecturer I, Lecturer II, and Lecturer III.

(d) Senior Lecturer

This title may be used for special teachers who will augment and complement regular teaching faculty and whose experience and qualifications are comparable to those of faculty members in tenure positions.

(e) Assistant Instructor or Teaching Associate

These titles may be used interchangeably for (1) certain graduate students teaching on a part-time or full-time basis who are in the last phase of their doctoral programs and who are unconditionally enrolled in graduate study, or (2) persons who, because of the nature of their duties, such as in a laboratory or in a hospital, do not qualify for one of the usual academic titles and do not hold the academic training or professional distinction usually required for attaining tenure positions.

(f) Teaching Assistant

This title usually applies to graduate students who are teachers and who are employed on a part-time basis. The only other teaching titles for graduate students are Teaching Associate and Assistant Instructor.

(g) Faculty Associate

This title may be applied to a person assigned to a research or nonteaching center, institute, or other unit or interdisciplinary program of a component institution.

(h) Specialist

This title may be used for professional individuals who will serve as practitioners in specific areas of instruction, training, or supervision. Upon approval of the president, the title may carry appropriate descriptive prefixes so as to indicate the specific areas of proficiency, e.g. Practice Teaching Specialist, Physical Activity Specialist, Social Work Field Training Specialist.

(i) Persons appointed to full-time positions for the primary purpose of patient care and other service activities or to full-time or part-time positions for the primary purpose of research activities shall be given one of the following titles, even though the individuals may be assigned teaching responsibilities:

(1) Professor of

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(title of specialty)

(2) Associate Professor of

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(title of specialty)

(3) Assistant Professor of

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(title of specialty)

(4) Instructor in

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(title of specialty)

For persons appointed to positions pursuant to this Item, all appointment letters, personnel forms, budgets, and other official documents shall state in parenthesis following the name and title of the individual either "(nontenure-track clinical appointment)" or "(nontenure-track research appointment)," as appropriate, and service in such positions shall not be credited as faculty service toward calculation of any maximum probationary period.

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

(a) Visiting Professor, Visiting Associate Professor, and Visiting Assistant Professor

These titles are used only for temporary appointments of persons either visiting from other institutions where they hold similar ranks or who are brought to the University on a trial basis. Such appointments are limited to two years unless an exception is approved in writing by the appropriate Executive Vice Chancellor.

(b) Adjunct Professor, Adjunct Associate Professor, and Adjunct Assistant Professor

One of these titles may be used when a qualified person from business, industry, government, private practice, or another institution of higher education may be teaching a course or participating in the teaching of a course at one of the component institutions. Except in special circumstances, this prefix should be used to designate part-time service on the faculty. In the health component institutions, this prefix should be used only for those persons not involved in patient care who otherwise satisfy the above criteria. Appointments to the faculty with an adjunct title may be with or without pay and shall be for a stated period of time not to exceed one academic year. Such appointments shall terminate upon expiration of the stated period of appointment without notification of nonrenewal. If a component institution determines that it is to the benefit of the institution, it may offer reappointment to an adjunct faculty member in accordance with Subdivision 1.61 of this Chapter.

(c) Clinical Professor, Clinical Associate Professor, Clinical Assistant Professor, and Clinical Instructor

These titles may be used by the component institutions to designate regular part-time or full-time service on the faculty while involved in a professional clinical experience program. Appointments to the faculty with a clinical title may be with or without pay and shall be for a period of time not to exceed three academic years. Such appointments shall terminate upon expiration of the stated period of appointment without notification of nonrenewal. If a component institution determines that it is to the benefit of the institution, it may offer reappointment to a

clinical faculty member in accordance with Subdivision 1.61 of this Chapter.

(d) Adjoint Professor, Adjoint Associate Professor and Adjoint Assistant Professor

These titles may be used by the component institutions to designate faculty who serve the institution in cooperative or joint programs pursuant to a memorandum of understanding, cooperative research and development agreement, or similar partnership instrument. Persons holding these titles will be employees of and compensated by the partnership organization. They will not be deemed employees of the component institution. They will, however, have the same obligations, responsibilities, and authority as regular faculty employed directly by the component institution when performing faculty functions pursuant to the agreement. Appointments will usually be part-time for the purpose of supervising theses and dissertations or for teaching highly specialized courses. The term of the appointment shall be specified in the agreement with the partner organization.

(e) Honorary titles, such as Dean Emeritus, Chair Emeritus, Professor Emeritus, and similar honorary designations may be given to a retired faculty member or in anticipation of the retirement of a faculty member, effective upon retirement. The conferring of one of these titles is not automatic upon retirement and may be conferred only upon approval by the president of the component institution in accordance with procedures included in the institutional Handbook of Operating Procedures and final approval by the Board of Regents.

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

1.626 Honorary Titles

(a) Regental Professor

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

(b) Distinguished Teaching Professor

Members of the U. T. Austin Academy of Distinguished Teachers or a similar approved academy may use the honorary title Distinguished Teaching Professor to recognize faculty members who have made significant contributions to education.

1.627 Administrative and academic (faculty) titles, duties, and pay rates for individuals who hold both administrative and



academic appointments are distinct and severable. Tenured or tenure-track academic appointments and promotions in academic rank for administrators are subject to the same requirements and approval processes as for other faculty and are to include the establishment of an appropriate academic rate (whether or not any pay is to be generated from that rate) at the time of approval of the academic appointment. Departure or removal from an administrative position does not impair the individual's rights and responsibilities as a faculty member. Upon return to faculty service, whether on a part-time or full-time basis, salary for general academic component institution faculty is to be based on the approved academic rate, and salary for health component institution faculty is at the rate established pursuant to salary practices for faculty.

Sec. 2. Discipline and Dismissal Policy

Procedures for dismissal, demotion, or suspension without pay of classified personnel are provided for by the "Policies and Procedures for Discipline and Dismissal of Employees" adopted by the U. T. Board of Regents.

Sec. 3. Grievance Policy

Grievances of classified employees will be considered pursuant to the "Grievance Policy and Procedures" adopted by the U. T. Board of Regents.

Sec. 4. Ethics Policy

Officers, faculty, and employees of the U. T. System may not have a direct or indirect interest, financial or otherwise, of any nature that is in conflict<sup>1</sup> with the proper discharge of the officer's or employee's duties. Officers, faculty, and employees shall timely furnish such written disclosures as may be required by State and federal authorities or by System requirement.

All officers, faculty, and employees shall adhere to the laws, rules, regulations, and policies of applicable governmental and institutional authorities and the following standards of conduct. The failure to do so may be grounds for disciplinary action, up to and including termination of employment.

4.1 Prohibition on Certain Gifts

No employee shall accept or solicit any gift, favor, or service that might reasonably tend to influence the employee in the discharge of his or her official duties or that the employee knows or should know is being offered with the intent to influence his or her official conduct.

4.2 Prohibition on Benefits in Exchange for Exercises of Powers or Duties

No employee shall intentionally or knowingly solicit, accept, or agree to accept any benefit for having exercised his or her official powers or performed his or her official duties in favor of another.

4.3 Limits on Employment and Certain Activities

No employee shall accept employment or engage in any business or professional activity that the employee might reasonably expect would require or induce the employee to disclose confidential information acquired by reason of his or her official position.

4.4 Disclosure of Confidential Information

No employee shall disclose confidential information gained by reason of his or her official position or otherwise use such information for his or her personal gain or benefit.

4.5 Prohibition on Self-Interest

No employee shall transact any business in his or her official capacity with any business entity of which the employee is an officer, agent, or member, or in which the employee owns a substantial interest.<sup>1</sup>

4.6 Limits on Personal Investments

No employee shall make personal investments that could reasonably be expected to create a substantial conflict<sup>1</sup> between the employee's private interest and the public interest.

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<sup>1</sup>[Texas Government Code Section 572.005](#), "Determination of Substantial Interest" may be helpful in defining and identifying such matters.

4.7 Independent Judgment Required

No employee shall accept other employment or compensation that could reasonably be expected to impair the employee's independence of judgment in the performance of the employee's public duties.

4.8 Sexual Harassment and Misconduct

The educational and working environments of the System and its component institutions should be free from inappropriate conduct of a sexual nature. Sexual misconduct and sexual harassment are unprofessional and unacceptable. The component institutions of the U. T. System shall adopt policies prohibiting sexual harassment and sexual misconduct and procedures for review of complaints. These policies and procedures shall be reviewed by the appropriate Executive Vice Chancellor, and shall be published in the Handbook of Operating Procedures of each component institution.

The System has a series of policies concerning ethical and legal standards of conduct for employees of System Administration and component institutions. Pertinent materials are contained in the [Standards of Conduct Digest](#) and should be referenced in the instance of possible conflicts of interest, ethics questions, and compliance with related laws.

Sec. 5. Appointment of Relatives (Nepotism Rule)

5.1 Limits on Employment

In accordance with the prohibition of [Texas Government Code Section 573.001 et seq.](#), no person related to any member of the Board of Regents within the second degree by affinity or within the third degree by consanguinity shall be eligible for appointment to any office, position, employment, or duty with The University of Texas System or any component institution thereof, when the salary, fee, or compensation of such appointee is to be paid, either directly or indirectly, out of public funds of any kind.

5.11 [Texas Government Code Section 573.001 et seq.](#), does not prohibit the reappointment or continued employment of any person who shall have been continuously employed in any such office, position, employment, or duty for a period of 30 days prior to the appointment of the member of

the Board of Regents related to such person within the prohibited degree, nor does it apply to prohibit honorary or nonremunerative positions; provided that when such person is reappointed or continued in employment the member of the Board of Regents who is related to such person in the prohibited degree shall not participate in the deliberation or voting upon the reappointment, continuation of employment, change in status, compensation, or dismissal of such person, if such action applies only to such person and not to a bona fide class or category of employees.

5.12 Those persons related within the prohibited degrees are indicated in the Consanguinity Kinship/Affinity Kinship Chart displayed in this Section.

5.13 The statutory prohibition applies to all programs administered under the Board of Regents and may not be waived.

## 5.2 Additional Limits on Employment

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

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

5.22 If the appointment, reappointment, or promotion of a person places him or her in an administrative or supervisory position with responsibility to approve, recommend, or otherwise act with regard to the appointment, promotion, or salary of a person who is related to them within the degree prohibited by the Texas Government Code, all subsequent actions regarding the reappointment, promotion, or salary of such person shall be made by the next highest administrator or supervisor at the component institution or The University of Texas System.

5.23 It shall be the responsibility of the administrator or supervisor acting pursuant to Subdivisions 5.21 or 5.22 of this Chapter to make a written review of the work performance of such person at least annually and to submit such review to the next highest administrator or supervisor at the component institution or The University of Texas System.

5.24 The provisions of Subdivision 5.21 of this Chapter shall apply to situations where two employees of the System marry and one spouse is the administrative supervisor of the other.

5.25 All situations covered by Subdivision 5.21 of this Chapter shall be reported annually through the institution's docket or with the annual operating budget.

## Consanguinity Kinship (Officer or Employee)

### - First Degree

Father, Mother, Son, or Daughter of officer or employee

### Second Degree

Brother, Sister, Grandfather, Grandmother, Grandson, or Granddaughter of officer or employee

### Third Degree

Uncle\*, Aunt\*, Nephew\*\*, Niece\*\*, Great Grandfather, Great Grandmother, Great Grandson, or Great Granddaughter of officer or employee

\*Who is a sister/brother of the officer's or employee's parent

\*\*Who is a child of the sister/brother of the officer or employee

## Affinity Kinship (Spouse)

### - First Degree

Father, Mother, Son, or Daughter of the officer's or employee's spouse

### Second Degree

Brother, Sister, Grandfather, Grandmother, Grandson, or Granddaughter of the officer's or employee's spouse

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

### 6.1 Authority of Board to Remove Employees

Subject to the provisions of [Texas Education Code Section 65.32](#), which reads, "The board may remove any officer, member of the faculty, or employee connected with the system when in its judgment the interest of the system requires the removal," and subject to the terms and provisions of these Regents' Rules and Regulations, the principles governing tenure and promotion are specified for each component institution in the Handbook of Operating Procedures applicable to that institution. See also Subsection 1.62 of this Chapter on academic titles.

### 6.2 Tenure and Tenured Titles (editorial amendment 9/03)

Tenure denotes a status of continuing appointment as a member of the faculty at a component institution. Except for the title Regental Professor, only members of the faculty with the academic titles of Professor, Associate Professor, or Assistant Professor or, at U. T. Brownsville, with the additional technical titles of Master Technical Instructor, Associate Master Technical Instructor, or Assistant Master Technical Instructor may be granted tenure. Tenure may be granted at the time of appointment to any of such academic ranks, or tenure may be withheld pending satisfactory completion of a probationary period of faculty service; however, such tenure status shall not be applicable to the faculty of The University of Texas M. D. Anderson Cancer Center.

The University of Texas M. D. Anderson Cancer Center is authorized to award a seven-year term appointment that will denote a status of continuing appointment at

that institution as a member of the faculty for a period of seven years. Only members of the faculty with academic titles of Professor, Associate Professor, or Assistant Professor may be granted a seven-year term appointment. A seven-year term appointment may be granted at the time of appointment to any of such academic rank or may be withheld pending satisfactory completion of a probationary period of faculty service.

No component institution may adopt or implement a seven-year term appointment policy except The University of Texas M. D. Anderson Cancer Center.

- 6.21 Only full-time service in the academic ranks of Professor, Associate Professor, Assistant Professor, and Instructor, or any combination thereof, or in the academic ranks of Master Technical Instructor, Associate Master Technical Instructor, Assistant Master Technical or Technical Instructor, or any combination thereof, shall be counted toward fulfillment of a required probationary period related to the award of tenure or a seven-year term appointment. Periods during which a faculty member is on leave of absence shall not be counted toward fulfillment of a required probationary period.
- 6.22 Prior service at other academic institutions, whether inside or outside the System, shall not be counted toward fulfillment of the required probationary period unless specifically permitted under the provisions of a component institution's Handbook of Operating Procedures.
- 6.23 The maximum period of probationary faculty service in nontenured status with any academic title or combination of academic titles specified in Subdivision 6.21 of this Chapter shall not be more than seven years of full-time academic service at the general academic institutions of the System and not more than nine years of full-time academic service at the health-related institutions of the System. In the event that a component institution fails to specify the maximum length of probationary service in its Handbook of Operating Procedures, such period shall be seven years at the general academic institutions of the System and nine years at the health-related institutions of the System. No later than 30 days prior to the beginning of the final academic year of the maximum probationary period in effect at any component institution, all nontenured faculty appointed to a title that accrues time toward satisfaction of a probationary period shall be given notice that the subsequent academic year will be the terminal year of employment or that, subject to the approval of the Board, beginning with the subsequent academic year tenure or a seven-year term appointment will be granted. A Memorandum of Appointment shall be provided to such faculty member in accordance with Subdivision 1.61 of this Chapter. In the event that the employment of a nontenured faculty member in any academic rank specified in Subdivision 6.21 is to be terminated prior to the end of the maximum probationary period, notice shall be given in accordance with Subsection 6.7 of this Chapter.
- 6.24 For purposes of calculating the period of probationary service, an "academic year" shall be the period from September 1 through the following August 31.
- 6.241 If a faculty member is initially appointed during an academic year, the period of service from the date of appointment until the following September 1 shall not be counted as academic service toward fulfillment of the maximum probationary period. One year of probationary service is accrued by at least nine months full-time academic service during any academic year. A faculty member shall be considered to be on full-time academic service when in full compliance with Regental

standards pertaining to minimum faculty workloads and any additional workload requirements at general academic institutions or when in compliance with the academic service standard of any health-related institution. All institutional requirements shall be contained in the Handbook of Operating Procedures.

6.242 Each component institution with tenured faculty will establish and appropriately communicate a policy for the extension of the maximum probationary period and include the policy in the institutional Handbook of Operating Procedures following the standard review and approval process. In the case of U. T. M. D. Anderson Cancer Center, the institution may establish a policy that allows the extension of a term-tenure appointment consistent with these guidelines and the term-tenure policy. Institutional policies are to be consistent with the following guidelines:

- (a) A faculty member who determines that certain personal circumstances may impede his or her progress toward achieving demonstration of eligibility for recommendation of award of tenure may make a written request for extension specifying the reason(s) for the requested extension. Personal circumstances that may justify the extension include, but are not restricted to, disability or illness of the faculty member; status of the faculty member as a principal caregiver of a preschool child; or status of the faculty member as a principal caregiver of a disabled, elderly, or ill member of the family of the faculty member. It is the responsibility of the faculty member to provide appropriate documentation to adequately demonstrate why the request should be granted.
- (b) The request for extension shall be limited to one academic year. A request for an additional academic year's extension will follow the established request process, with the maximum duration of extension, whether consecutive or nonconsecutive, to be two academic years.
- (c) Normally, requests for extension must be made in advance of the academic year or semester for which the extension is desired and may be made no later than three months prior to the deadline for initiation of the mandatory review process to determine recommended award of tenure or notice as provided under Subsection 6.7 of this Chapter that the next year will be the faculty member's terminal year of appointment.
- (d) The decision regarding the request shall be made by the chief academic officer of the institution, upon recommendation of the department chair and the dean, within a reasonable period of time and in a manner specified by institutional policy.

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

6.26 A person appointed to a faculty position with the title of Instructor, Assistant Professor, Associate Professor, or Professor or with the title of Technical Instructor, Assistant Master Technical Instructor, Associate Master Technical Instructor, or Master Technical Instructor at a component institution of the System may not, during the term of such appointment, hold a tenured position on the faculty of another educational institution outside the System unless the institutional Handbook of Operating Procedures specifically authorizes the holding of such position as a part of the initial appointment.

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

6.262 The acceptance of an appointment to a tenured position on the faculty of an educational institution outside the System shall be considered as a resignation of any faculty position with the title of Instructor, Assistant Professor, Associate Professor, or Professor or with the title of Technical Instructor, Assistant Master Technical Instructor, Associate Master Technical Instructor, or Master Technical Instructor that such appointee may hold at a System component institution.

### 6.3 Termination of a Faculty Member

Termination by an institution of the employment of a faculty member who has been granted tenure and of all other faculty members before the expiration of the stated period of appointment, except as is otherwise provided in Subdivision 6.26 and Subsections 6.(11) and 6.(12) of this Chapter or by resignation or retirement, will be only for good cause shown. Faculty member, as used in this Subsection, includes a professional librarian with an academic title. In each case the issue of good cause will be determined according to the equitable procedures provided in this Subsection.

6.31 The president of the component institution shall assure that all allegations against a faculty member that involve the potential for termination are reviewed under the direction of the chief academic officer unless another officer is designated by the president. The faculty member who is the subject of the allegations shall be given an opportunity to be interviewed and shall have the right to present a grievance, in person, to the chief academic officer on an issue or subject related to the allegations under review. The chief academic officer shall take the grievance, if any, into consideration prior to making a determination whether the allegations are supported by evidence that constitutes good cause for termination. Upon making that determination, the chief academic officer will recommend to the president whether to proceed with charges for termination. Failure to present a grievance to the chief academic officer prior to his or her recommendation shall not preclude a faculty member from presenting an issue or subject to the special hearing tribunal in defense of charges for termination that may result from the review. A tenured faculty member who is recommended for termination on the basis of periodic evaluation must be given the opportunity for referral of the matter to nonbinding alternative dispute

resolution, as required by [Texas Education Code Section 51.942](#) and in compliance with applicable U. T. System and institutional policies and procedures for alternative dispute resolution, prior to referral of the charges to a hearing tribunal under Subdivision 6.33 of this Chapter. A faculty member under review for matters that may result in charges for termination may file a grievance pursuant to a faculty grievance procedure only if the subject of the grievance is not involved in the review. A pending grievance may proceed only if it does not involve a subject under review.

6.32 If the president of the component institution determines that the allegations are supported by evidence that constitutes good cause for termination, the president will meet with the faculty member, explain the allegations and supporting evidence, and give the faculty member a reasonable amount of time, as determined by the president, to respond either orally or in writing. In cases of incompetency or gross immorality, where the facts are admitted, or in the case of a felony conviction, the hearing procedures of Subdivision 6.33 of this Chapter shall not apply and dismissal by the president will follow.

6.33 In cases where other offenses are charged, and in all cases where the facts are in dispute, the accused faculty member will be informed in writing of the charges. If the president of the component institution determines that the nature of the charges and the evidence are such that it is in the best interest of the institution, the accused faculty member may be suspended with pay pending the completion of the hearing and final decision by the Board. On reasonable notice, the charges will be heard by a special hearing tribunal of at least three faculty members. The academic rank of each member of the tribunal must be at least equal to that of the accused faculty member. The notice will specify the date, time, and place for the hearing and will specify the names of the faculty members appointed to the hearing tribunal. The hearing tribunal members are appointed by the president from a standing panel (pool) of members of the faculty. At least 50% of the panel members from which the hearing tribunal members are appointed shall be selected by a procedure established by the faculty governance organization, selected by an existing faculty committee with oversight for university-wide faculty committee selection, or selected through an approved process designed to provide appropriate faculty input into the selection. The remaining members of the panel shall be appointed by the president of a component institution. A minimum of one member of a hearing tribunal appointed by a president is to be from among panel members selected by the faculty input, existent faculty committee or faculty governance procedure.

6.331 In every such hearing the accused faculty member will have the right to appear in person and by counsel of the accused's selection and to confront and cross-examine witnesses who may appear. If the accused faculty member is represented by counsel, the institution is entitled to be represented by counsel from the Office of General Counsel.

6.332 The accused faculty member shall have the right to testify, but may not be required to do so, and may introduce in his or her behalf all evidence, written or oral, which may be relevant and material to the charges.

6.333 A stenographic or electronic record of the proceedings will be taken and filed with the Board, and such record shall be made accessible to the accused.



- 6.334 A representative of the institution may appear before the hearing tribunal to present witnesses and evidence in support of the charge against such faculty member, and such institutional representatives shall have the right to cross-examine the accused faculty member (if the faculty member testifies) and the witnesses offered on behalf of the faculty member. The institution has the burden to prove good cause for termination by the greater weight of the credible evidence.
- 6.335 The hearing tribunal shall not include any accuser of the faculty member. If the accused faculty member is not satisfied with the fairness or objectivity of any member or members of the hearing tribunal, the faculty member may challenge the alleged lack of fairness or objectivity, but any such challenge must be made in writing to the hearing tribunal at least three week days prior to the date for the hearing. The accused faculty member shall have no right to disqualify any member or members from serving on the tribunal. It shall be up to each challenged member to determine whether he or she can serve with fairness and objectivity in the matter, and if any challenged member should voluntarily disqualify himself or herself, the president of a component institution shall appoint a substitute member of the tribunal from the panel described in Subdivision 6.33 of this Chapter.
- 6.336 The hearing tribunal, by a majority of the total membership, will make written findings on the material facts and a recommendation of the continuance or termination of the accused faculty member. The hearing tribunal, by a majority of its total membership, may make any supplementary suggestions it deems proper concerning the disposal of the case. The original of such findings and the recommendation, with any supplementary suggestions, shall be delivered to the Board and a copy to the accused. If minority findings, recommendations, or suggestions are made, they shall be similarly treated. The original transcript of the testimony and the exhibits shall also be forwarded to the Board.
- 6.34 The Board, by a majority of the total membership, will approve, reject, or amend such findings, recommendations, and suggestions, if any, or will recommit the report to the same tribunal for hearing additional evidence and reconsidering its findings, recommendations, and suggestions, if any. Reasons for approval, rejection, or amendment of such findings, recommendations, or suggestions will be stated in writing and communicated to the accused.
- 6.35 Full-time faculty members, including professional librarians with academic titles, who are notified in accordance with Subsection 6.7 of this Chapter that they will not be reappointed or who are notified in accordance with Subdivision 6.23 or Subsections 6.7 or 6.8 of this Chapter that the subsequent academic year will be the terminal year of appointment shall not be entitled to a statement of the reasons upon which the decision for such action is based. Such a decision shall only be subject to review pursuant to the following procedures:
- 6.351 The affected faculty member may present a grievance, in person, to the chief academic officer on an issue or subject related to the nonrenewal decision. The chief academic officer shall meet with the faculty member. Unless a review by a hearing tribunal is requested and granted pursuant to

Subparagraph 6.352 of this Chapter, the nonrenewal decision shall not be subject to further review.

6.352 A review by a hearing tribunal shall be granted only in those cases where the affected faculty member submits a written request for review by a hearing tribunal to the president of a component institution and describes in detail the facts relied upon to prove that the decision was made for reasons that are unlawful under the Constitution or laws of Texas or the United States. If the president determines that the alleged facts, if proven by credible evidence, support a conclusion that the decision was made for unlawful reasons, such allegations shall be heard by a hearing tribunal under the procedures in Subsection 6.3 of this Chapter as in the case of dismissal for cause, with the following exceptions:

- (1) The burden of proof is upon the affected faculty member to establish by the greater weight of the credible evidence that the decision in question was made for reasons that are unlawful under the Constitution or laws of Texas or the United States;
- (2) The administration of the institution need not state the reasons for the questioned decision or offer evidence in support thereof unless the affected faculty member presents credible evidence that, if unchallenged, proves the decision was made for unlawful reasons;
- (3) The hearing tribunal shall make written findings and recommendations based on the evidence presented at the hearing and shall forward such findings and recommendations with the transcript and exhibits from the hearing to the president;
- (4) The president may approve, reject, or amend the recommendations of the hearing tribunal or may reach different conclusions based upon the record of the hearing. The decision of the president shall be final.

#### 6.4 Required Compliance with Laws (*editorial 3/03*)

Every faculty member and employee is expected to obey all federal, State, and local laws, and particularly [Texas Penal Code Chapter 42](#) and [Section 46.03](#) and [Texas Education Code Section 51.935](#). Any faculty member or employee who violates any provision of these statutes is subject to dismissal as a faculty member or employee, notwithstanding any action by civil authorities on account of the violation.

#### 6.5 Prohibition on Disruptive Activity

Any employee of the System or a component institution who, acting singly or in concert with others, obstructs, disrupts or interferes with any teaching, educational, research, administrative, disciplinary, public service, or other activity, meeting, or event authorized to be held or conducted on campus or on property or in a building or facility owned or controlled by the System or component institution is subject to discipline, including dismissal. Obstruction or disruption includes but is not limited to any act that interrupts, modifies, or damages utility service or equipment, communication service or equipment, university computers, computer programs, computer records, or computer networks accessible through System or institutional computer resources.

#### 6.6 Standards of Conduct

The minimum standards of individual conduct required by the penal statutes of Texas or the United States are both expected and required of every faculty member and employee of the System and its component institutions. Any faculty member or employee who violates the minimum standards of conduct required by any felony statute of Texas or the United States is subject to dismissal as a faculty member or employee, regardless of whether or not any action is taken against the faculty member or employee by civil authorities on account of such violation. If action for dismissal is taken, the appropriate administrative official shall proceed with the action in the same manner as he or she would in the case of a violation by a faculty member or employee of any other provision of these rules and regulations or a provision of any Handbook of Operating Procedures.

6.7 Notice for Nonrenewal of Nontenured Faculty

In the event of decision not to reappoint a nontenured faculty member in an academic rank specified in Subdivision 6.21 of this Chapter, written notice will be given him or her not later than March 1 of the first academic year of probationary service if the appointment expires at the end of that academic year, or not later than December 15 of the second academic year of probationary service if the appointment expires at the end of that academic year. After two or more academic years written notice shall be given not later than 30 days prior to the end of the then current academic year that the subsequent year will be the terminal academic year of appointment and a Memorandum of Appointment shall be provided to such faculty member in accordance with Subdivision 1.61 of this Chapter. The notice required by this Subsection is not applicable where termination of employment is for good cause under Subsection 6.3 of this Chapter.

6.8 Notice for Faculty on Term Tenure

A faculty member serving a seven-year term appointment shall be given notice not later than 30 days prior to the end of the sixth academic year of such appointment period that the subsequent academic year will be the terminal year of employment or that, subject to the approval of the Board, at the conclusion of the subsequent academic year he or she will be reappointed to a seven-year term appointment. A Memorandum of Appointment shall be provided to such faculty member in accordance with Subdivision 1.61 of this Chapter.

6.9 Tenure and Reappointment Only Effective by Notice

Reappointment of nontenured members of the faculty to a succeeding academic year, reappointment of members of the faculty who are serving a seven-year term appointment to a succeeding seven-year term appointment, or the award of tenure or a seven-year term appointment, may be accomplished only by notice by the president of a component institution or his or her delegate with the approval of the Board. Notwithstanding any provisions of Subdivision 6.23, or Subsection 6.7 or 6.8 of this Chapter to the contrary, no person shall be deemed to have been reappointed or to have been awarded tenure or a seven-year appointment because notice is not given or received by the time prescribed in Subdivision 6.23, or Subsection 6.7 or 6.8 or in the manner prescribed in Subsection 6.(11) of this Chapter. Should it occur that no notice is received by the time prescribed in Subdivision 6.23, or Subsection 6.7 or 6.8, it is the duty of the academic employee concerned to make inquiry to determine the decision of the president of a component institution, who shall without delay give the required notice to the academic employee.

6.(10) Current Mailing Address Required

Each faculty member shall keep the president of the component institution or his or her delegate notified of his or her current mailing address. The written notice

required by Subdivision 6.23, or Subsection 6.7 or 6.8 of this Chapter shall be sent by certified mail, return receipt requested, to the last address given by the faculty member.

6.(11) Abandonment of Academic Positions or Programs

The president of a component institution has the responsibility for determining when to eliminate occupied academic positions, the titles of which are given in Subdivision 1.62 of this Chapter, or abandon academic programs or both, subject to approval by the appropriate Executive Vice Chancellor. The decision of the president and the implementation of that decision shall be subject to the following minimum procedural requirements:

- 6.(11)1 An academic program under consideration for abandonment or an academic position that is under consideration for elimination for bona fide academic reasons should be reviewed in depth through procedures determined by the president;
- 6.(11)2 Tenured faculty in a program that is under consideration for abandonment or in an academic position that is under consideration for elimination will be notified and afforded an opportunity to contribute to the review process and have those contributions fairly considered;
- 6.(11)3 Upon completion of the review process, a recommendation with supporting rationale should be submitted to the academic vice president for review and recommendation to the president;
- 6.(11)4 If the president determines that an academic program should be abandoned or that one or more academic positions occupied by tenured faculty should be eliminated, or both, a request for approval with supporting documentation should be forwarded to the appropriate Executive Vice Chancellor;
- 6.(11)5 The date for abandoning or phasing out an academic program should take into consideration the time required for anticipated completion by students currently enrolled or to facilitate their placement in acceptable alternative programs;
- 6.(11)6 The administration will notify tenured faculty in a program to be abandoned or in an academic position that is to be eliminated and ask each faculty member to inform the president of a component institution or designee in writing of the faculty member's request for reassignment to other academic program(s) and to provide details of the faculty member's qualifications to teach in such academic program(s);
- 6.(11)7 The president of a component institution or designee will meet individually with tenured faculty who respond to discuss possible employment alternatives to termination;
- 6.(11)8 If the decision is not to retain, the president of a component institution or designee will send a written response stating reasons for not retaining the tenured faculty member;
- 6.(11)9 If retention of a tenured faculty member results in displacement of a tenured faculty member in another area, the displaced faculty member is entitled to above procedures;
- 6.(11)10 Any faculty member whose employment is terminated pursuant to this Subsection shall be informed of applicable benefits available upon termination, such as retirement, accrued leave, and opportunity to continue insurance coverage;
- 6.(11)11 U. T. System component institutions should provide appropriate assistance to affected faculty members concerning available alternative employment opportunities.

6.(12) Procedures for Financial Exigency

When such reductions are necessary as a result of financial exigency, the procedure for the selection and notification of those academic positions that are to be terminated shall be governed by this Section, and neither the procedures specified in Subsection 6.3 of this Chapter nor the notice requirements of Subdivision 6.23, or Subsection 6.7 or 6.8 of this Chapter shall be applicable.

- 6.(12)1 Upon determining the existence of a financial exigency and the need to reduce academic positions or academic programs, or both, the president of a component institution shall appoint a committee composed of faculty and administrative personnel to make recommendations to the president as to which academic positions and/or academic programs should be eliminated as a result of the financial exigency.
- 6.(12)2 The committee will review and assess the academic programs of the institution and identify those academic positions that may be eliminated with minimum effect upon the degree programs that should be continued. The review will include, but not be limited to, an examination of the course offerings, degree programs, supporting degree programs, teaching specialties, and semester credit hour production.
- 6.(12)3 Upon determining that one or more academic positions in a degree program or teaching specialty should be eliminated, the committee will recommend the particular position or positions to be terminated by reviewing the academic qualifications and talents of holders of all academic positions in those degree programs or teaching specialties, the needs of the program they serve, past academic performance, and the potential for future contributions to the development of the institution. Tenure status of a faculty member shall not be a consideration in the determination of whether a particular position should be eliminated except as permitted in Subdivision 6.(12)4 of this Chapter.
- 6.(12)4 If, in the opinion of the committee, two or more faculty members are equally qualified and capable of performing a particular teaching role, the faculty member or members having tenure shall be given preference over nontenured faculty. However, if such faculty have the same tenure status, consideration will be given to the need of the institution for capabilities for teaching in multiple disciplines, and the faculty member or members qualified by training and experience to teach in more than one discipline or area of specialization will be given preference over a faculty member or members qualified to teach in only one discipline or area of specialization. In other instances, length of service as a member of the faculty at the institution shall be the determining factor.
- 6.(12)5 Upon completion of its review, the committee shall promptly recommend to the president of a component institution those persons who may be terminated, ranked in order of priority, with the reasons for their selection. The president shall, with such consultation with institutional administrative officers as he or she may deem appropriate, determine which academic positions are to be terminated because of the financial exigency and shall give the holders of these positions written notice of the decision.
- 6.(12)6 Any person terminated due to financial exigency will be notified when a vacancy occurs in the same component institution in his or her field of teaching within the next two academic years following the termination. If such person makes timely application and is qualified for the position to be filled, he or she shall be offered employment in that position. If the vacancy is in a field of teaching in which two or more persons have been terminated because of financial exigency, all will be notified of the vacancy and of those so notified and making timely application, employment will be offered to the person who is the better qualified for

- the position to be filled.
- 6.(12)7 The president of a component institution shall appoint a hearing committee to hear any appeals for reconsideration of termination decisions based upon financial exigency. Within 30 days from the date of the notice of termination, a person shall have the right to appeal to the hearing committee for reconsideration of the termination decision. The appeal for reconsideration shall be in writing and addressed to the president of the institution. A person to be terminated who appeals to the hearing committee shall be given a reasonably adequate written statement of the basis for the initial decision to reduce academic positions and, upon request of the person, shall be given any written data or information relied upon in arriving at such decision.
- 6.(12)8 The hearing committee shall set the date, time, and place for hearing the appeal for reconsideration. Such hearing shall be held within 30 days of the date of the written request unless the person to be terminated waives such time requirement; however, such hearing shall be held within 90 days from the date of the request. The hearing committee shall conduct the hearing in accordance with the following conditions and procedures.
- 6.(12)81 The hearing will be closed to the public unless requested to be open by the appealing person.
- 6.(12)82 The appealing person may be represented by legal counsel at his or her expense.
- 6.(12)83 The appealing person and the institution may offer any written evidence or oral testimony that is material to the issues.
- 6.(12)84 The burden shall be upon the appealing person to show by a preponderance of the credible evidence that:
- (a) Financial exigency was not in fact the reason for the initial decision to reduce academic positions; or
  - (b) The decision to terminate the appealing person as compared to another individual in the same discipline or teaching specialty was arbitrary and unreasonable.
- No other issues shall be heard or considered by the hearing committee.
- 6.(12)9 The hearing committee shall make written findings of fact and recommendations to the president of a component institution t as soon as practical following the hearing. The president shall have the final decision to either accept or reject the recommendation of the hearing committee.

## Sec. 7. Rights and Responsibilities of Faculty Members as Citizens and as Teachers

### 7.1 Freedom in Research and Publication

The teacher is entitled to full freedom in research and in the publication of the results, subject to the adequate performance of other academic duties.

### 7.2 Freedom in the Classroom

The teacher is entitled to freedom in the classroom in discussing his or her subject, but is expected not to introduce into his or her teaching controversial matter that has no relation to his or her subject.

### 7.3 Special Obligations

The university teacher is a citizen, a member of a learned profession, and an officer of an educational institution supported by the State of Texas. When the teacher speaks or writes as a citizen, he or she should be free from institutional censorship or discipline, but the teacher's special position in the community imposes special obligations. As a person of learning and an educational officer, the teacher should

remember that the public may judge the profession and the institution by his or her utterances. Hence, the teacher should at all times be accurate, should exercise appropriate restraint, should show respect for the opinions of others, and should make it plain that the teacher is not an institutional spokesman.

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

### 8.1 List of Duties

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

- 8.11 Teaching in the classroom, laboratory, seminar, or ward.
- 8.12 Studying, investigating, discovering, and creating.
- 8.13 Performing curricular tasks auxiliary to teaching and research, e.g., serving on faculty committees, attending to administrative and disciplinary tasks, promoting diligence and honest work in the student body.
- 8.14 Influencing beneficially students and citizens in various extracurricular ways.

### 8.2 Performance Valued

Performance as a teacher, as a scholar, as an administrator, and as an individual is valued greatly by any university, for in these four ways its work is chiefly done.

### 8.3 Duty to Cooperate with the Board

A State university being a public enterprise of maximum social importance, it is the duty of all persons connected with it to be as civic-minded as possible. It is also a duty to cooperate with the Board in carrying out the purposes and policies of the Board that are deliberately considered, usually by both the Board and the several faculties, in accordance with law and designed to attain the best educational results with the resources available. The Regents and all administrative officers are entitled to the cheerful acquiescence of all staffs in carrying out the policies duly adopted. At the same time, administrative officers are expected to listen with an open and appreciative mind to criticisms and suggestions coming to them from members of their staffs.

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

### 9.1 Conformance to Rules and Regulations by Faculty

It is a specific and important duty of each member of the several teaching staffs to become acquainted with and to conform to all the rules and regulations relating to faculty and to the proper and orderly discharge of their work that are to be found set forth in both these Regents' Rules and Regulations and the institutional Handbook of Operating Procedures; in catalogs, announcements of courses, and other official publications; in printed or other material regularly prepared for the use of the staff; and in minutes of the faculties. To this end, copies of the Regents' Rules and Regulations, Part One, and the official institutional Handbook of Operating Procedures shall be reproduced by the president and distributed and located on campus as considered appropriate by the president. The president shall have one copy of the Rules and Regulations and the institutional Handbook of Operating Procedures available at an appropriate location in his or her office for ready reference. In addition, the president shall distribute a copy of these two documents to the secretary of the faculty or representative faculty body at the institution. The official, current copy of the Regents' Rules and Regulations will be maintained by the Counsel and Secretary to the Board and a Web-based version

will be made available.

9.2 Duty to Recommend Desirable Changes

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

Sec. 10. Communications, Appeals, and Hearings

10.1 Right to Propose Changes

Every member of a teaching staff has the right to propose changes in policies and procedures and to present arguments in support thereof.

10.11 Proposals should originate and follow routines as prescribed elsewhere in the Regents' Rules and Regulations or in the institutional Handbook of Operating Procedures.

10.12 When a proposal has been approved or amended by the appropriate institutional officials, faculties, and the component institution president, it shall then go to the appropriate Executive Vice Chancellor and the Chancellor for recommendation to the Board if such action is required.

10.13 When a proposal has been approved, amended, or rejected by the appropriate institutional officials, faculties, and the component institution president, any member or group of members of the staff may present an appeal in opposition to the action of the majority or in opposition to the recommendation of the institutional official or the component institution president, and this appeal, accompanied by reasons for and against the proposal, shall go through the prescribed administrative channels and shall be presented through the appropriate Executive Vice Chancellor to the Chancellor and thence to the Board for final action. The deans and other institutional officials, the component institution president, the appropriate Executive Vice Chancellor, the Chancellor, and the Board may invite both sides for personal conferences and discussions.

10.14 An authorized routine for proposals, with the right of appeal, having been herein fixed, it follows that proposals shall always be made in accordance therewith.

10.2 Rights of Voting Faculty

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

Sec. 11. Communications with the Legislature and Other State Agencies or Officials

The Board is the only proper channel through which recommendations concerning the administration of the System, as a whole or in any of its parts, should reach the Legislature or other State agencies or officials.

Sec. 12. Office Hours

Members of the teaching staffs are expected to post on their office doors, and publish in any other manner required by the president of a component institution, office hours and conference periods most advantageous to students.

Sec. 13. Outside Employment, Service on Outside Boards, and Nonelective Positions of Honor, Profit, or Trust (last amended 11/13/02)



13.1 Consultative or Advisory Activities

Members of the faculty or staff of the System and the component institutions should not be discouraged from accepting appointments of a consultative or advisory capacity with governmental agencies, industry, or other educational institutions. The consideration to the System and the component institutions of such activity is the improvement of the individual by virtue of his or her continuing contact with nonacademic problems in the nonacademic world.

13.2 Limits on Outside Employment

The primary responsibility of members of the faculty and staff of the System and the component institutions is the accomplishment of the duties and responsibilities assigned to one's position of appointment; external consulting or other outside employment that interferes with those duties and responsibilities should not be accepted. In connection with any outside employment, faculty and staff must comply with State laws governing the conduct of State employees, including ethics standards and provisions prohibiting conflict of interest and use of State resources. For special provisions relating to standards of conduct for employees, see Section 4 of this Chapter.

13.3 Obligation to Furnish Expert Knowledge and Counsel

Even in the case of members of the faculty or staff specifically engaged only in residence work, there exists an obligation, usually intermittent, to furnish expert knowledge and counsel for public benefit free of charge, provided that the meeting of this obligation by a faculty or staff member does not interfere with his or her regular duties, and provided further that in meeting this obligation a full-time faculty or staff member shall avoid undue competition with legitimate private agencies.

13.4 Use of Stationery Prohibited

No member of the faculty or staff engaged in outside remunerative activities shall use in connection therewith the official stationery of the System or any of the component institutions, or give as a business address any building or department of the System or the component institution.

13.5 No Use of Professional Opinions for Advertising

Every member of the faculty or staff who gives professional opinions must protect the System and the component institutions against the use of such opinions for advertising purposes. If the faculty or staff member does work in a private capacity, the faculty or staff member must make it clear to those who employ him or her that the work is unofficial and that the name of the System and the component institutions is not in any way to be connected with the faculty or staff member's name, except when used to identify the faculty or staff member as the author of work related to the faculty or staff member's academic or research area as more fully described in Part Two, Chapter XII, Section 2.

13.6 Advance Approval for Certain Activities

No member of the faculty or staff shall accept pay from private persons or corporations for tests, assays, chemical analyses, bacteriological examinations, or other such work that involves the use of property owned by the System or the component institutions, unless advance permission has been obtained from the Chancellor or the president of a component institution and provision has been made for compensation to the System or the component institutions.

13.7 Approval of Outside Employment

No full-time member of the faculty or staff employed by the System or the component institutions on a 12-month or nine-month basis shall be employed in

any outside work or activity or receive from an outside source a regular retainer fee or salary until a description of the nature and extent of the employment has been filed with and approved by appropriate administrative officials as set forth in the policies of the System or the Handbook of Operating Procedures of each component institution. For special provisions relating to other State or federal employment, see Subsections 13.8 and 13.9 of this Chapter.

13.8 Nonelective Offices or Positions

Subject to the other provisions of this Section, a member of the faculty or staff of the System or the component institutions may hold other nonelective offices or positions of honor, trust, or profit with the State of Texas or the United States if holding the other offices or positions is of benefit to the State of Texas or is required by State or federal law and if there is no conflict between holding the office or position and holding the office or position with the System or the component institutions for which the member of the faculty or staff receives salary or compensation.

13.9 Required Docket Findings

Before a member of the faculty or staff of the System or the component institutions may accept an offer to serve in other nonelective offices or positions of honor, trust, or profit with the State of Texas or the United States, the member of the faculty or staff must obtain from the appropriate administrative officials and the Board a finding via the Docket that the requirements of Subsection 13.8 of this Chapter have been fulfilled. The docket entry shall also record any compensation the employee is to receive from the nonelective office or position, including salary, bonus, or per diem payment.

13.(10) Service on Outside Boards

It is recognized that the Chancellor and other Executive Officers of the System and the presidents of component institutions may be asked to serve on the boards, councils or other governing or advisory bodies ("outside boards") of various business, civic, professional, and social organizations, both for profit and not-for-profit, and in compensated and noncompensated positions. Such service is generally deemed to be in the best interest of the System and the component institutions because it broadens the experience of the individuals involved and exposes the System and its component institutions to a larger audience of business, civic, professional, and social leaders.

To avoid conflicts of interest and to ensure that outside service does not distract from employment duties and obligations, the Chancellor shall promulgate a policy concerning approval of service on outside boards. The Chancellor shall provide a copy of the policy to the Board and shall notify the Board of any significant changes to the policy. Requests for approval of service on outside boards by the Chancellor or the Counsel and Secretary to the Board shall be made to the Chairman.

Sec. 14. Holidays (*editorially amended 9/03, 5/04, and 9/04*)

All faculty, classified, and other nonteaching personnel are entitled to such holidays as are provided by the Legislature in the then current Appropriations Act and as are approved annually by the Vice Chancellor for Administration or alternate holidays approved in the official calendars of the various institutions by the Vice Chancellor for Administration. (See the Classified Personnel rules in the institutional Handbook of Operating Procedures.)

Sec. 15. Vacation

- 15.1 Faculty Vacations as Provided by State Law  
Vacations for faculty on 12-month appointments, classified personnel, and nonteaching personnel shall be as provided by State law. Vacations for hourly and part-time employees shall be on a percentage basis for the time appointed. (See the Classified Personnel rules in the institutional Handbook of Operating Procedures.)
- 15.2 Lump Sum Payment for All Vacation Leave  
An employee who resigns, is dismissed, or separates from university employment shall be entitled to be paid in "lump sum" for all vacation leave entitlement duly accrued at the date of termination provided the employee has had continuous employment with the State of Texas for six months. The payment shall be calculated at the rate of compensation being paid the employee at the time of termination.
- 15.3 Accumulated Vacation Leave Payable to Employee's Estate  
In the case of death of an employee who has accumulated vacation leave, his or her estate will be paid for all accumulated vacation leave. The payment shall be calculated at a rate of compensation being paid the employee at the time of his or her death.

Sec. 16. Leaves of Absence Without Pay

- 16.1 Approval Requirements  
With the interest of the institution being given first consideration and for good cause, leaves of absence without pay may be granted for a period within the term of appointment of a member of any faculty or staff, subject to the general conditions included herein. Leaves of absence for a first year or portion thereof or a second consecutive year's leave may be granted by the president or his or her designee. Leaves of absence for a third consecutive year will be granted only for the reasons outlined in this Subsection, Subsection 16.3, and Subsection 16.4 of this Chapter, following review and approval by the appropriate Executive Vice Chancellor.
- 16.2 Maximum Period for Leave  
The maximum period for which a leave of absence will be granted is the end of the fiscal year in which the leave begins. In the case of faculty, the date for return to duty will generally coincide with the beginning of the next semester, following the period of absence.
- 16.3 Second Year of Leave  
Except in unusual circumstances such as military service, reasons of health, continued graduate study, and public service or other activity that reflects credit on the institution and enhances an individual's ability to make subsequent contributions to the institution, a second consecutive year of leave will not be granted.
- 16.4 Third Year of Leave  
Except in very unusual circumstances a third consecutive leave of absence for one year will not be granted.
- 16.5 Availability of Additional Leave  
After a return to duty of one year, the leave-of-absence privilege will again be available, subject to the conditions above.
- 16.6 Exhaustion of Accumulated Paid Leave  
Unless otherwise provided by or authorized pursuant to law, all accumulated paid

leave entitlement must be exhausted before a leave of absence without pay may be granted, with the additional provision that sick leave must be exhausted in those cases where the employee is eligible to take sick leave.

16.7 Application of Family and Medical Leave

Upon expiration of Family and Medical Leave pursuant to these Rules and Regulations, an employee may be eligible for a leave of absence under this section. For leave of absence to participate in a political campaign, faculty development leave, parental leave, sick leave, leave for jury duty, leave for military duty, and leave related to on-the-job injuries, see other sections of these Rules and Regulations.

Sec. 17. Faculty Development Leaves

Faculty development leaves for faculty members may be granted as set out in [Texas Education Code Section 51.101 et seq.](#) The law provides that after two consecutive academic years at the same institution faculty members as defined in this Act may be considered for a faculty development leave for one academic year at one-half his or her regular salary or for one-half academic year at his or her full regular salary. Such leaves shall be granted pursuant to procedures outlined in the Act and to the limitations therein.

Sec. 18. Parental Leave

Parental leave for all employees shall be as provided by State law.

Sec. 19. Sick Leave

19.1 State Law Requirements

Sick leave for all employees, including faculty, nonteaching personnel, and classified personnel, shall be as provided by State law.

19.2 Continuation of Usual Duties

In cases where illness incapacitates a member of an institutional or professional staff, arrangements for carrying on his or her usual duties must be made through appropriate administrative channels with the Chancellor or the president of the component institution.

19.3 Estate Paid for Accumulated Sick Leave

In the case of death of an employee who has accumulated sick leave, the estate will be paid for the accumulated sick leave as permitted by law. The payment shall be calculated at the rate of compensation being paid the employee at the time of death.

Sec. 20. Leave for Jury Duty

Necessary time off for jury duty is allowed without loss of pay or vacation leave.

Sec. 21. Leave for Military Duty

A leave of absence not to exceed 15 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 Component institutions of the Armed Forces, shall be engaged in authorized training or duty, ordered or authorized by proper authority. During such periods, the employee is absent without loss of efficiency rating, vacation

time, or salary; and when relieved from military duty, the employee is restored to the position and status he or she previously held. 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. The chief business officer of each institution may prescribe forms and procedures for such leaves.

Sec. 22. Family and Medical Leave

Any employee, whether faculty, classified, or administrative, may request and receive a leave of absence without pay for up to 12 weeks per year for family and medical reasons specified by the Family and Medical Leave Act of 1993 and accompanying regulations governing the Act, as set forth in approved institutional and System policies. Eligibility criteria are defined in the Act. Upon expiration of the 12 weeks of leave taken pursuant to the Family and Medical Leave Act, an employee may be eligible for a leave of absence without pay pursuant to Part One, Chapter III, Section 16 of the Regents' Rules and Regulations.

Sec. 23. Absence from Usual and Regular Duties

23.1 Conditions for Approved Absence

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

- 23.11 When such absence is on State business, and
- 23.12 When appropriate provisions are made to carry on the duties of the absent person without additional expense to the institution; or
- 23.13 In the case of military leave, not to exceed 15 working days each year.

23.2 Institutional Regulations

Permission to be absent from usual and regular duties shall be obtained as prescribed in institutional regulations.

Sec. 24. Compensation for Correspondence and Extension Teaching

Full-time employees on 12-month appointments may receive additional compensation for correspondence course and/or extension center teaching, but may not receive additional compensation for summer school teaching. Full-time employees on nine-month appointments may receive additional compensation for correspondence course and/or extension center teaching during the nine-month period and also may be paid for summer school teaching. Compensation rates for correspondence course and extension center teaching shall be paid at rates set from year to year by the Chancellor or the president of a component institution and approved via the operating budget approval process.

Sec. 25. Textbooks and Other Materials Prescribed for the Use of Students

25.1 Board Policy Requirement

The policy of the Board concerning textbooks and other materials prescribed for the use of students is as follows:

- 25.11 Although generally the individual instructor or the department should have wide discretion in the choice of materials to be used in the courses offered by the department, frequent changes in the textbooks prescribed should be discouraged and should be made only for cogent reasons.
- 25.12 Although the authorship of books, outlines, manuals, and similar materials by members of the faculty and staff should be encouraged, the prescribed use of these for students is a responsibility that goes beyond

that of the individual author. Where practical and equitable, the charge for outlines, syllabi, and similar materials prescribed for the use of students should be borne by the department. Whenever an approved incidental fee includes a charge for such materials distributed through the classroom, the prices should be as low as possible, consistent with the payment of any required royalty to the author or authors.

25.2 Change in Textbook

Any proposed change in the textbook of any course, within one year from the date of first adoption, shall be approved by the departmental faculty, and a statement of the reasons for change shall be transmitted by the Chairman of the department through the dean to the chief academic and administrative officers.

25.3 Faculty Authored Materials

Textbooks, notebooks, manuals, or other materials for the use of students of a component institution, written or prepared by a member of the faculty of that institution, shall not be prescribed for the use of students in that institution or sold to such students until approved by the dean, chief academic officer, and president of a component institution, pursuant to policies included in the institutional Handbook of Operating Procedures. At a minimum, these policies should provide for consultation with departmental faculty.

Sec. 26. Sectarian Courses Prohibited

No course of instruction of a sectarian character shall be taught in the System or any of its component institutions. ([Texas Education Code Section 65.38.](#))

Sec. 27. Acceptance of Money from Students

27.1 Prohibition on Collection of Fees or Sales to Students

Members of teaching staffs, without previous and special approval of the Board, shall not collect from students any fees or charges to be expended for institutional purposes, and shall not sell to students books, notes, or similar student supplies.

27.2 No Pay for Extra Instruction by Certain Faculty

A member of the faculty or staff of the rank of instructor or above may not accept pay for extra instruction or teaching of students registered in the institution where he or she is employed.

27.3 Acceptance of Pay for Instruction by Teaching Assistants

With written approval, teaching assistants, assistants, and other like instructional employees below the rank of an instructor, may accept pay from students for extra-class instruction or coaching but only in courses or sections of courses with which they have no instructional connection. The Handbook of Operating Procedures of the component institution shall specify the procedure for approval at the institutional level.

Sec. 28. Power to Authorize Expenditures From System Funds

28.1 Limits on Expenditure

No expenditure out of funds under control of the Board shall be made and no debt or obligation shall be incurred and no promise shall be made in the name of the System or any of its component institutions or of the Board by any member of the respective staffs of the System or any of its component institutions except:

28.11 In accordance with general or special budgetary apportionments authorized in advance by the Board and entered in its minutes; or

- 28.12 In accordance with authority specifically vested by the Board in a committee of the Board; or
- 28.13 In accordance with authority to act for the Board when it is not in session, specifically vested in some university officer by these Rules and Regulations or by special action of the Board.

28.2 Unauthorized Payment Claims

It shall be the duty of the several institutional officers to see that all claims for payments of items not authorized as indicated above are refused and returned unpaid.

Sec. 29. Indebtedness to the System or the State

Except as provided herein, no payment shall be made to an employee, his or her agent or assignee, who is indebted to the System, any of its component institutions, or to the State until such debt is paid. This section does not authorize the withholding of a salary or other compensation for personal services to an employee or the employee's agent or assignee, except as otherwise allowed by law. Compensation and salary include wages, longevity pay, hazardous duty pay, and emoluments provided in lieu of wages, but do not include expense reimbursements.

Sec. 30. Power to Bind the System in Fixing its Policies

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

Sec. 31. Institutional Control and Administration of Contracts and Grants

Facilities, equipment, or other resources of a component institution may not be utilized in the performance of a contract or grant that is not administered and controlled by the component institution. An employee who utilizes the facilities, equipment, or resources of a component institution for any purpose related to a contract or grant that is not subject to the administration and control of the component institution may not be paid a salary by the component institution until the contract or grant becomes subject to administration by the component institution or such activities are discontinued.

Sec. 32. Institutional Employees as Students

The Handbook of Operating Procedures for each of the component teaching institutions shall express the institutional policy as to the amount of course work full-time and part-time employees shall be permitted to carry.

Sec. 33. Retirement and Modified Service (last amended 11/13/02)

33.1 Mandatory Retirement

No person employed by the U. T. System or any component institution shall be required to retire because of age except as permitted by law. However, a licensed pilot operating an aircraft under Part 91 of the Federal Aviation Regulations may be employed as a pilot until the end of the fiscal year that includes the pilot's 70th

birthday. Upon attaining the age of 60, the pilot must satisfactorily complete the flight physical required for his/her flight certification on a semiannual basis. Flight physicals for all U. T. System pilots will be conducted by a certified flight surgeon employed at one of the health institutions of the U. T. System. In the event there is no certified flight surgeon on staff at one of the health institutions of the U. T. System, the flight physical will be conducted, at U. T. System expense, by a certified flight surgeon designated by one of the health institutions of the U. T. System.

33.2 Appointment of Retired Person

The Chancellor or the president, as appropriate, may appoint a person who has retired to modified service. Retirement is defined as withdrawal from employment with the U. T. System or a component institution with a retirement benefit.

33.3 Finding of Best Interest Required

Appointment to modified service shall be made only if the Chancellor or president finds the service of the individual is in the best interest of the System or a particular component institution.

33.4 Terms of Appointment to Modified Service

Appointment to modified service shall be without tenure, and for not more than one academic year. Appointments for Teacher Retirement System participants will be made in compliance with applicable law. The notice provisions of Subsection 6.7 of this Chapter shall not apply to nonrenewal of such appointments. If the System or a component institution determines that it is in the best interest of the System or the institution, it may offer reappointment to modified service.

Sec. 34. Faculty and Staff Organizations

34.1 Procedures for Registration

Each component institution shall adopt procedures for the registration of faculty and staff organizations at that institution. The period of registered status of an organization shall not exceed one academic year and such status shall automatically terminate at the end of each academic year; provided, however, an organization previously registered as a faculty or staff organization may apply for and be granted registration for subsequent periods of one academic year if it meets all applicable criteria in effect for the period for which registration is sought.

34.2 Suspension or Revocation of Registered Status

A registered faculty or staff organization shall be subject to all applicable rules and regulations of the component institution and The University of Texas System. Action taken by or on behalf of a registered faculty or staff organization that results in a violation of such rules and regulations is subject to disciplinary action that may result in the suspension or revocation of the registered status of the organization.

34.3 Membership Not Restricted

No organization may become registered or remain registered at a component institution as a faculty or staff organization unless the membership of the organization is restricted to the faculty or staff of that component institution.

34.31 At the time of application for registration and at the beginning of each semester that an organization is registered as a faculty or staff organization, each such organization shall file with the appropriate officer at the component institution a statement that the organization does not presently have, nor during any period of registration will it have, as a member any person who is not a member of the faculty or staff of the



institution.

- 34.32 If the president of the institution, or his or her designated delegate, determines that the statements required above are false, registration shall be denied, or if it is determined that such statements have become false during any period of registration, such registration shall be cancelled.

34.4 Application for Registration

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

34.5 Prohibition on Use of University Name and Seal

A registered faculty or staff organization may state that its membership is composed of the faculty or staff of a component institution, but it shall not suggest or imply that it is acting with the authority or as an agency of the institution. A faculty or staff organization shall not use the name of a component institution or the name of The University of Texas System as a part of the name of the organization, and it shall neither display the seal of either a component institution or The University of Texas System in connection with any activity of the organization nor use such seal or seals as part of any letterhead, sign, banner, pamphlet, or other printed material that bears the name of the organization.

34.6 Violation of Rules

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

Sec. 35. Political Activities

The Board recognizes the right of a member of the faculty or staff to participate in political activities provided such activities are not conducted during work hours unless the faculty or staff member uses accrued compensatory or vacation leave; are in compliance with the Constitution and laws of the State of Texas; do not interfere with the discharge and performance of an employee's duties and responsibilities; do not involve the use of equipment, supplies, or services of the System or a component institution; do not involve the impermissible use of System or component facilities; do not involve the attempt to coerce students, faculty, or staff to participate in or support the political activity; and do not involve the System or a component institution in partisan politics. With the interest of the System or a component institution being given first consideration, a leave of absence without pay pursuant to Subsection 16.2 of this Chapter, may but need not be granted to a member of the faculty or staff to participate in political activities. However, a leave of absence without pay shall not be granted to a member of the faculty or staff of the System or a component institution for the purpose of being a candidate for an elective public office, holding an elective public office, or directing the political campaign of a candidate for an elective public office. A member of the faculty or staff who wishes to engage in

political activity that will interfere with the performance of his or her duties and responsibilities should voluntarily terminate employment. If the president of the component institution, the Chancellor, an Executive Vice Chancellor, or the Board finds that the faculty or staff member's political activity interferes with the performance of his or her duties and responsibilities or does not comply with the requirements of this subsection, the faculty or staff member shall be subject to appropriate disciplinary action, including termination.

## Sec. 36. Minimum Faculty Academic Workload Requirements for General Academic Institutions

Each person paid full time from the appropriations item "Faculty Salaries" shall be assigned a minimum workload equivalent to 18 semester credit hours of instruction in organized undergraduate classes each nine-month academic year, or fiscal year at an institution's option, in accordance with guidelines listed below.

When a faculty member is paid partially from a source of funds other than the "Faculty Salaries" line item, the minimum workload shall be proportioned to the percentage of salary paid from the appropriations item "Faculty Salaries."

Teaching assistants shall be used only when given proper guidance and supervision to ensure quality instruction. The minimum faculty workload established below does not apply to graduate teaching assistants or assistant instructors who are pursuing degrees. The institutional head is responsible for assuring that all teaching assistants are carefully supervised.

This policy sets the minimum workload and equivalencies only; an institution may enact more intensive and/or more detailed minimum requirements for inclusion in the institutional Handbook of Operating Procedures, following appropriate approvals. For example, an institution may set individual minimum requirements, consistent with these minimum guidelines, for a specific school or college.

No two institutions in the U. T. System (and, indeed, no two teaching units within a particular institution) are alike in the workload required of individual faculty to meet student needs within the funds appropriated by the Legislature. It is the responsibility of each institutional head to require teaching in excess of the minimum where such teaching is necessary to meet the institution's obligations to its students. Each institution will establish additional standards as necessary in accordance with its role and scope, so long as it satisfies the minimum given herein, to meet the instructional obligations of the institution to the students and to operate effectively within the faculty salary resources available. Faculty members not actively involved in a program of research and publication or in equivalent academic service should typically carry a teaching load greater than the minimum.

State law requires the adoption of rules concerning faculty academic workloads. [Texas Education Code Section 51.402\(b\)](#) recognizes that important elements of workload include classroom teaching, basic and applied research, and professional development. Workload for U. T. System faculty members is expressed in terms of classroom teaching, teaching equivalencies, and presidential credits for assigned activities.

### 36.1 Teaching Equivalencies

#### 36.11 Graduate Instruction

One semester credit hour of graduate instruction will be considered the equivalent of one and one-half semester credit hours of undergraduate instruction.

#### 36.12 Specialized Instruction

One and one-half contact hours of instruction of regularly scheduled laboratory and clinical courses, physical activity courses, studio art, studio music instruction, and primary music performance organizations, such as ensembles and marching bands, for each week of a long-term semester will be considered the equivalent of one semester credit hour of undergraduate instruction.

36.13 Supervision

Supervision of student teachers, clinical supervision, and intern supervision shall be credited such that 12 total student semester credit hours taught will be considered the equivalent of one semester credit hour.

36.14 Practicum and Individual Instruction

Supervision of student practicum and individual instruction courses, such as honors programs and individual research projects, shall provide equivalency at the rate of one-tenth semester credit hour for each student semester hour of undergraduate instruction and one-fifth semester hour for each student semester hour of graduate instruction per long-term semester. In no case will individual instruction in a single course generate more semester credit hour equivalence than if the course were taught as a regularly scheduled, organized course.

36.15 Thesis and Dissertation Supervision

Graduate thesis or dissertation supervision shall provide equivalent credit hours only to the chairperson of the thesis or dissertation committee at the rate of one semester credit hour for each six total student semester hours of thesis research credit and at the rate of one semester credit hour for each three total student semester hours of dissertation credit.

36.16 Multiple Sections

A faculty member who coordinates several sections of a single course shall be given one semester hour of workload credit for each six sections coordinated up to a maximum of three semester hours of credit per semester.

36.17 Large Classes

Workload credit may be proportionally increased for teaching a large class that requires extensive grading or evaluation of students' work by the faculty member according to the following weighing factors:

<u>Weighing Class Size</u>	<u>Factor</u>
59 or less	1.0
60 - 69	1.1
70 - 79	1.2
80 - 89	1.3
90 - 99	1.4
100 - 124	1.5
125 - 149	1.6
150 - 174	1.7
175 - 199	1.8
200 - 249	1.9
250 or more	2.0

36.18 Team Teaching

When more than one teacher participates in the instruction of a single course, the credit is proportioned according to the effort expended.

36.19 Insufficient Enrollment

A reduced workload may be granted temporarily if assigned classes do not materialize because of insufficient enrollment and when additional

classes or other academic duties cannot be assigned to the faculty member. This exception may be granted for two consecutive long-term semesters only for any particular faculty member.

## 36.2 Other Equivalencies

### 36.21 Administrative Assignments

Workload credit may be granted for a faculty member who is head of a department or head of a comparable administrative unit up to a maximum of six semester hours of workload credit per semester. When justified by the department/unit head and approved by the institutional head, three hours of credit may be given to faculty members who provide nonteaching academic services to the department/unit head. In no case will the total for departmental administration, including the head, exceed nine workload credits per semester unless the institution's organizational structure includes academic units composed of more than one academic discipline.

### 36.22 New Faculty

At the recommendation of the head of the department or comparable unit and upon approval of the institutional head, up to three semester hours of workload credit for each of two semesters may be given to a newly-appointed faculty member during the first year of employment for the purpose of developing instructional materials for the courses he or she will teach.

### 36.23 New Course Development

At the recommendation of the departmental chair and upon approval of the institutional head, workload credit may be granted to a faculty member involved in the creation of a new course, new course format, or new course materials.

### 36.24 Presidential Credits

Academic workload credit granted by the head of the institution for all other purposes is limited to 1% of the total semester credit hours taught at the institution during the comparable (fall or spring) semester in the previous year. With the approval of the institutional head, limited faculty workload credit (within the 1% limit above) may be granted for major academic advising responsibilities, for basic and applied research following a research work plan approved pursuant to institutional policy, for preparing major documents in the fulfillment of programmatic needs or accreditation requirements, or for duties performed in the best interest of the institution's instructional programs as determined by the head of the institution.

### 36.25 Faculty with Technical Rank

Instructional workload equivalents for faculty members holding technical rank may be determined on a clock-hour basis where full-time employment is equivalent to not less than 30 hours of instructionally related activities each week for contact hour courses taught on a quarterly basis.

## 36.3 Compliance

36.31 The president of a component institution shall designate the officer of the institution who will monitor workloads, review workload reports, and submit the reports to the institutional head for approval and comment, as appropriate, prior to submitting the reports to the Board of Regents through System Administration following the standard reporting format and deadlines as provided by the Texas Higher Education Coordinating Board in accordance with [Texas Education Code Section 51.402](#) and any

- applicable riders in the current General Appropriations Act.
- 36.32 Every faculty member's compliance with these minimum academic workload requirements shall be assessed each academic year. If a faculty member is found to be out of compliance, the institution shall take appropriate steps to address the noncompliance and to prevent such noncompliance in the future.

Sec. 37. U. T. System Employee Evaluation Policies

37.1 Annual Evaluation of All Employees

- 37.11 An annual evaluation program for all employees (administrative, faculty and classified) within the U. T. System is to be used for the improvement of performance, promotion consideration, and merit salary review.
- 37.12 Each component institution will develop policies and procedures regarding evaluations for inclusion in the Handbook of Operating Procedures or the U. T. System Human Resources Manual, as appropriate, after prior approval.

37.2 Evaluation of Probationary Employees

- 37.21 Each component institution shall establish a probationary period not to exceed six months of actual service for all new classified employees. Probationary employees will be evaluated pursuant to procedures and criteria that have been approved for inclusion in the institutional Handbook of Operating Procedures or the U. T. System Human Resources Manual, as appropriate.
- 37.22 Faculty in tenure-track appointments will be evaluated pursuant to criteria contained in these Rules and Regulations and procedures and criteria that have been approved for inclusion in the institutional Handbook of Operating Procedures.

37.3 U. T. System Guidelines for Periodic Performance Evaluation of Tenured Faculty

Preamble

The U. T. Board of Regents recognizes the time-honored practice of tenure for university faculty as an important protection of free inquiry, open intellectual and scientific debate, and unfettered criticism of the accepted body of knowledge. Academic institutions have a special need for practices that protect freedom of expression, since the core of the academic enterprise involves a continual reexamination of ideas. Academic disciplines thrive and grow through critical analysis of conventions and theories. Throughout history, the process of exploring and expanding the frontiers of learning has necessarily challenged the established order. That is why tenure is so valuable, not merely for the protection of individual faculty members but also as an assurance to society that the pursuit of truth and knowledge commands our first priority. Without freedom to question, there can be no freedom to learn.

The U. T. Board of Regents supports a system of periodic evaluation of all tenured faculty. Periodic evaluation is intended to enhance and protect, not diminish, the important guarantees of tenure and academic freedom. The purpose of periodic evaluation is to provide guidance for continuing and meaningful faculty development; to assist faculty to enhance professional skills and goals; to refocus academic and professional efforts, when appropriate; and to assure that faculty members are meeting their responsibilities to the University and the State of Texas. The U. T. Board of Regents is pledged to regular monitoring of this system

to make sure that it is serving its intended purposes and does not in any way threaten tenure as a concept and practice. In implementing the plan, component institutions shall maintain an appropriate balance of emphasis on teaching, research, service, and other duties of faculty.

### Guidelines

Each component institution of The University of Texas System will develop an institutional policy and plan consistent with the following guidelines for the periodic performance evaluation of tenured faculty effective January 1, 1998, with actual evaluation to begin no later than the Fall Semester 1998. Institutional policies are to be developed with appropriate faculty input, including consultation with and guidance from faculty governance organizations, and are to be included in each institutional Handbook of Operating Procedures after review and appropriate administrative approval and submission to the U. T. Board of Regents for review and final approval. Periodic evaluations, while distinct from the annual evaluation process now required of all employees, may be integrated with the annual evaluation process to form a single comprehensive faculty development and evaluation process. Nothing in these guidelines or the application of institutional evaluation policies shall be interpreted or applied to infringe on the tenure system, academic freedom, due process, or other protected rights nor to establish new term-tenure systems or to require faculty to reestablish their credentials for tenure.

Institutional Handbook of Operating Procedures policies should be drafted to establish a streamlined, efficient process and should include the following minimum elements for periodic evaluation:

- 37.31 Evaluation of tenured faculty will continue to be performed annually with a comprehensive periodic evaluation of all tenured faculty performed every six years. The evaluation may not be waived for any tenured faculty member but may be deferred in rare circumstances when the review period will coincide with approved leave, comprehensive review for tenure or promotion, or appointment to an endowed position. No deferral of review of an active faculty member may extend beyond one year from the scheduled review. Institutional policy may specify that periods when a faculty member is on leave need not be counted in calculating when the comprehensive evaluation is required. The requirement of periodic review does not imply that individuals with unsatisfactory annual evaluations may not be subject to further review and/or appropriate administrative action.
- 37.32 The evaluation shall include review of the faculty member's professional responsibilities in teaching, research, service, patient care, and administration.
- 37.33 Reasonable individual notice of at least six months of intent to review will be provided to a faculty member.
- 37.34 The faculty member being evaluated shall submit a résumé, including a summary statement of professional accomplishments, and shall submit or arrange for the submission of annual reports and teaching evaluations. The faculty member may provide copies of a statement of professional goals, a proposed professional development plan, and any other additional materials the faculty member deems appropriate.
- 37.35 In accordance with institutional policy, initial evaluation of the faculty member's performance may be carried out by the department, department chair (or equivalent), dean, or peer review panel, but in any event must be reported to the chair (or equivalent) and dean for review. Evaluation shall include review of the current résumé, student evaluations

of teaching for the review period, annual reports for the review period, and all materials submitted by the faculty member.

37.36 If peer review is not required by institutional policy, the peer review process may be initiated by the faculty member, department chair (or equivalent), or dean. If peer committees are involved, the members shall be representative of the college/school and will be appointed, on the basis of their objectivity and academic strength, by the dean in consultation with the tenured faculty in the college/school or pursuant to other process as defined in institutional policies. If peer review is involved, the faculty member will be provided with an opportunity to meet with the committee or committees.

37.37 Results of the evaluation will be communicated in writing to the faculty member, the department chair/dean, the chief academic officer, and the president for review and appropriate action. Possible uses of the information contained in the report should include the following:

37.371 For individuals found to be performing well, the evaluation may be used to determine salary recommendations, nomination for awards, or other forms of performance recognition.

37.372 For individuals whose performance indicates they would benefit from additional institutional support, the evaluation may be used to provide such support (e.g., teaching effectiveness assistance, counseling, or mentoring in research issues/service expectations).

37.373 For individuals found to be performing unsatisfactorily, review to determine if good cause exists for termination under the current Regents' Rules and Regulations may be considered. All proceedings for termination of tenured faculty on the basis of periodic performance evaluation shall be only for incompetency, neglect of duty, or other good cause shown and must be conducted in accordance with the due process procedures of the Regents' Rules and Regulations, Part One, Chapter III, Section 6 including an opportunity for referral of the matter to alternative dispute resolution. Such proceedings must also include a list of specific charges by the president and an opportunity for a hearing before a faculty tribunal. In all such cases, the burden of proof shall be on the institution, and the rights of a faculty member to due process and academic freedom shall be protected.

The acceptance and success of periodic evaluation for tenured faculty will be dependent upon a well-executed, critical process and an institutional commitment to assist and support faculty development. Thus, remediation and follow-up review for faculty who would benefit from such support, as well as the designation of an academic administrator with primary responsibility for monitoring such needed follow-up activities, are essential.

#### 37.4 Evaluation of Administrators

##### 37.41 Presidents

Evaluation of the president of each component institution is primarily the responsibility of the appropriate Executive Vice Chancellor.

##### 37.42 Vice Presidents and Deans

Subject to the requirements of Subsection 37.3 and Subdivision 37.43 of this Chapter, the evaluation of the vice presidents and deans is primarily

the responsibility of the president or delegate.

37.43 Guidelines for Faculty Input into the Evaluation of Academic Administrators

- 37.431 Each academic administrator below the level of president of a component institution should be reviewed at least every six years. A written report will contain the substance of the review.
- 37.432 The institutional Academic Senate or other representative faculty body should be consulted in the development of the review policies and procedures. Institutions should also address avenues for faculty input into the review of other administrators who have significant impacts on campus academic affairs.
- 37.433 The review process should provide an opportunity for input by all faculty members in the academic unit(s) reporting to and/or affected directly by the administrator being evaluated.
- 37.434 A summary of faculty input, to be provided to the administrator under review and to the administrator's supervisor, should constitute a significant component of the evaluation report.
- 37.435 Unless otherwise defined by approved institutional policy, academic administrator is intended to refer to the chief academic officer (Vice President for Academic Affairs or Provost); academic deans, department chairs, and directors of academic units.
- 37.436 The U. T. System Administration also recognizes and supports comparable involvement by staff members and students, as is now the practice for evaluation of academic administrators at several U. T. System component institutions.
- 37.437 Additionally, the Chancellor and the Executive Vice Chancellor for Health Affairs should be sensitive to the importance of faculty input in the process of evaluating all administrators with direct or significant academic administrative responsibility.

Sec. 38. Employee Advisory Council (*editorially amended 9/03 and 9/04*)

At the discretion of the Chairman of the Board of Regents and the Chancellor, a staff Employee Advisory Council representing component institutions in the U. T. System may be formed to facilitate the flow of ideas and information between and among the Board of Regents, the System Administration, and the component institutions. The Executive Vice Chancellor for Business Affairs will serve as System liaison to the Council. The Chairman and Chancellor will promulgate guidelines for the selection of Employee Advisory Council representatives. Representatives of the Employee Advisory Council may from time to time address the Board at meetings of the Board and may recommend action to the Board through the Chancellor. At least once each year, a meeting will be arranged between the Employee Advisory Council Executive Committee and the Board.

Sec. 39. Authorization to Travel

39.1 Reference to Part Two

Authorization to travel will be granted only as specified in Section 10, Chapter III of Part Two.

39.2 Required Permission for Absence

A faculty or staff member whose usual duties do not require travel shall not be absent from the regular place of work and usual duties except with permission of the Chancellor or the president of a component institution or their designees.



**PART ONE, CHAPTER IV**  
**FACULTY ORGANIZATION**

Sec. 1. Educational Policy

1.1 Institutions of the "First Class"

The Board will devote its best efforts to making all of the institutions composing the System institutions of the "first class," as the [Texas Constitution](#) directs in Article VII, Section 10. The Board will be guided in general by the best practices of the best universities in the United States and abroad, especially by the best practices of state universities in the United States.

1.2 Advice from Institutional Faculty

The Board will not, except in extraordinary cases, act on important matters of academic policy until it has received, or requested and obtained, advice thereupon from the institutional faculty or faculties affected or their legislative bodies. When new policies originating in any faculty give rise to serious differences of opinion in that body, the advice and recommended legislation shall, at the request of the minority, be accompanied by a record of the vote and by a summary of the reasons for and against the matters proposed.

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

2.1 General Authority

Subject to the authority of the Board and subject further to the authority that the Board has vested in the various administrative officers and subdivisions of the System, the faculties of the component institutions regularly offering instruction shall have a major role in the governance of their respective institutions in the following areas:

- 2.11 General academic policies and welfare.
- 2.12 Student life and activities.
- 2.13 Requirements of admission and graduation.
- 2.14 Honors and scholastic performance generally.
- 2.15 Approval of candidates for degrees.
- 2.16 Faculty rules of procedure.

2.2 Necessity of Approval by Regents

Legislation recommended by an institutional faculty, or legislative body thereof, requiring approval of the Board, shall not be effective unless and until approved by the Board. Such legislation by a college or school faculty shall not be presented to the Board until it has been approved by the institutional faculty, either directly or through its legislative body, and has received the consideration and recommendation of the institutional president, the appropriate Executive Vice Chancellor, and the Chancellor. The faculty affected will be notified by the Board, through administrative channels, of its action on recommended faculty legislation.

2.3 When Legislation is Effective

Except where the Board has specifically authorized procedure for placing into effect emergency faculty legislation without prior Board approval, institutional faculty legislation shall become effective only upon approval by the Board or at such later time as the Board shall specify. The secretary of the institutional faculty shall be

notified of Board action, and notice of such action shall be included in the official minutes of the faculty.

2.4 Approval of Degree Candidates

It shall be the duty of the several institutional faculties to recommend approval or disapproval of all candidates for degrees. This duty may be delegated by affirmative vote of the institutional faculty, or its legislative body, to the respective deans or other appropriate official. Should this duty not be delegated, then the institutional registrar, or his or her equivalent, shall furnish to the members of the institutional faculty a complete list of the degree candidates for recommendation.

2.5 List of Degree Candidates in Minutes

The institutional registrar, as soon as possible after each commencement, shall provide the secretary of his or her institutional faculty, or its legislative body, with a complete list of all successful degree candidates.

2.6 Changes in Degree Requirements

Changes in degree requirements shall not become effective until approved by the Board and published in the appropriate catalog; provided, however, that students may be given the benefit of any action reducing or modifying the requirements for their degree immediately upon Board approval.

2.7 Faculty Minutes

Copies of institutional faculty minutes, or of their legislative bodies, shall be available for use of members of the particular faculties individually, if desired; and shall be filed (1) in the offices of the secretaries to the faculty, (2) in the office of the presidents, (3) in the office of the appropriate Executive Vice Chancellor, and (4) in the institutional libraries.

Sec. 3. Faculty Advisory Council

At the discretion of the Chairman of the Board of Regents and the Chancellor, a Faculty Advisory Council representing component institutions in the U. T. System may be formed to facilitate the flow of ideas and information between and among the Board of Regents, the System Administration, and the component institutions. The Executive Vice Chancellor for Academic Affairs will serve as System liaison to the Council. The Chairman and Chancellor will promulgate guidelines for the selection of Faculty Advisory Council representatives. Representatives of the Faculty Advisory Council may from time to time address the Board at meetings of the Board and may recommend action to the Board through the Chancellor. At least once each year, a meeting will be arranged between the Faculty Advisory Council Executive Committee and the Board.

## **PART ONE, CHAPTER V**

### **GRADUATE EDUCATION IN THE UNIVERSITY OF TEXAS SYSTEM**

Sec. 1. Authorization and Definition

The various component institutions of the System authorized to offer graduate degrees shall provide and maintain an appropriate faculty and administrative organization for such graduate degrees. The president of each component institution of the System shall be responsible through the appropriate Executive Vice Chancellor to the Chancellor, and through him or her, to the Board for policies and administration of the graduate programs.

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

Sec. 2. Requirements

Within the general academic component institutions, the designation "Graduate School" will be used if (a) there is a minimum of three distinct programs approved for doctoral degrees and 30 such doctoral degrees have been awarded; or (b) there is a minimum of 10 distinct programs approved for master's degrees and 50 master's degrees have been awarded. In component institutions that do not meet these requirements, graduate study will be in a "Division of Graduate Studies."

Sec. 3. Administration

Graduate programs in the health component institutions shall be administered as follows:

3.1 Graduate School of Biomedical Sciences

In the health-related institutions at Dallas, Galveston, Houston, and San Antonio, the graduate programs will be administered through a Graduate School of Biomedical Sciences.

3.2 Nursing Schools

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

3.3 U. T. M. D. Anderson Cancer Center

In the U. T. M. D. Anderson Cancer Center, research and graduate instruction will be offered in cooperation with other component institutions that are authorized to award graduate degrees.

Sec. 4. Required Approvals

Component institutions which offer graduate degrees and elect an administrative organization and designations different from those authorized above may do so only upon the recommendation of the president, the concurrence of the appropriate Executive Vice Chancellor, and the Chancellor, and the approval of the Board.

Sec. 5. Policies and Procedures

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

Sec. 6. Joint or Cooperative Degree Programs

Where two or more component institutions of the System are authorized to conduct joint or cooperative degree programs, the presidents of the cooperating institutions shall be authorized to establish, subject to the approval of the appropriate Executive Vice Chancellor, special procedures and organizations for the administration of such programs.

## PART ONE, CHAPTER VI

### STUDENT SERVICES AND ACTIVITIES AND REGULATIONS ON FACILITIES USE

#### Sec. 1. General Provisions

##### 1.1 Implementation

These policies and regulations apply to all component institutions of the System and shall be implemented appropriately in the Handbook of Operating Procedures for each institution.

##### 1.2 Institutional Officer

When the designation "chief student affairs officer" appears in this Chapter, reference is made to the administrative officer or officers directly responsible for student affairs at each component institution. The designation "Dean of Students" or "Dean" in the context of this Chapter shall refer to the administrative officer or officers responsible for the administration of the disciplinary process at each component institution.

##### 1.3 Delegation of Authority

All authority held and exercised by a chief student affairs officer is delegated to that officer by the president of a component institution. Any action taken by the chief student affairs officer is subject to review by the component institution president.

##### 1.4 Chief Student Affairs Officer

The chief student affairs officer shall be the administrative officer primarily responsible for the development and administration of policies relating to students, for the development and implementation of services to students, and for the initial preparation of institutional regulations that will implement the policies and regulations set forth in this Chapter.

##### 1.5 Petition to the Board on Certain Policies

Any individual student, group of students, or student organization may petition the Board on any matter relating to these policies and regulations (other than a disciplinary action) through the chief student affairs officer, the president, the appropriate Executive Vice Chancellor, and the Chancellor.

##### 1.6 Student Advisory Council

At the discretion of the Chairman of the Board of Regents and the Chancellor, a Student Advisory Council representing component institutions in the U. T. System may be formed to facilitate the flow of ideas and information between and among the Board of Regents, the System Administration, and the component institutions. The Executive Vice Chancellor for Academic Affairs will serve as System liaison to the Council. The Chairman and Chancellor will promulgate guidelines for the selection of Student Advisory Council representatives. Representatives of the Student Advisory Council may from time to time address the Board at meetings of the Board and may recommend action to the Board through the Chancellor. At least once each year, a meeting will be arranged between the Student Advisory Council Executive Committee and the Board.

#### Sec. 2. Definitions

##### 2.1 Student

The following persons shall be considered students for purposes of these policies

and regulations:

- 2.11 A person currently enrolled at a component institution of the System.
- 2.12 A person accepted for admission or readmission to a component institution of the System.
- 2.13 A person who has been enrolled at a component institution of the System in a prior semester or summer session and is eligible to continue enrollment in the semester or summer session that immediately follows.
- 2.14 A person who engaged in prohibited conduct at a time when he or she met the criteria of Subdivisions 2.11, 2.12, or 2.13 of this Chapter.

2.2 Campus

The campus consists of all real property, buildings, or facilities owned or controlled by the component institution.

2.3 Hearing Officer

An individual selected in accordance with procedures adopted by the component institution to hear disciplinary charges, make findings of fact and, upon a finding of guilt, impose an appropriate sanction(s).

2.4 Weekday

Monday through Friday, excluding any day that is an official holiday of the component institution.

2.5 Day

A calendar day.

Sec. 3. Student Conduct and Discipline

3.1 Institutional Rules

The component institutions shall adopt rules and regulations concerning student conduct and discipline. Such rules shall be in compliance with the Regents' Rules and Regulations and shall become effective upon review and approval by the Executive Vice Chancellor for Health Affairs or the Executive Vice Chancellor for Academic Affairs. Each student is responsible for notice of and compliance with the provisions of the Regents' Rules and Regulations and the rules of the component institution.

3.2 Standards of Conduct

All students are expected and required to obey federal, State, and local laws, to comply with the Regents' Rules and Regulations, with System and institutional rules and regulations, with directives issued by an administrative official of the System or component institution in the course of his or her authorized duties, and to observe standards of conduct appropriate for an academic institution.

3.21 Any student who engages in conduct that violates the Regents' Rules and Regulations, the System or institutional rules and regulations, specific instructions issued by an administrative official of the institution or the System acting in the course of his or her authorized duties, or federal, State, or local laws is subject to discipline whether such conduct takes place on or off campus or whether civil or criminal penalties are also imposed for such conduct.

3.22 Any student who commits an act of scholastic dishonesty is subject to discipline. Scholastic dishonesty includes but is not limited to cheating, plagiarism, collusion, the submission for credit of any work or materials that are attributable in whole or in part to another person, taking an examination for another person, any act designed to give unfair

- advantage to a student or the attempt to commit such acts.
- 3.23 Any student who is guilty of the illegal use, possession and/or sale of a drug or narcotic on the campus of a component institution is subject to discipline. If a student is found guilty of the illegal use, possession, and/or sale of a drug or narcotic on campus, the minimum penalty shall be suspension from the institution for a specified period of time and/or suspension of rights and privileges.
- 3.24 Any student who engages in conduct that endangers the health or safety of any person on the campus of a component institution or on any property, or in any building or facility owned or controlled by the System or component institution is subject to discipline.
- 3.25 Any student who, acting singly or in concert with others, obstructs, disrupts, or interferes with any teaching, educational, research, administrative, disciplinary, public service, or other activity or public performance authorized to be held or conducted on campus or on property or in a building or facility owned or controlled by the System or component institution is subject to discipline. Obstruction or disruption includes but is not limited to any act that interrupts, modifies, or damages utility service or equipment, communication service or equipment, university computers, computer programs, computer records or computer networks accessible through the university's computer resources.
- 3.26 Any student who engages in speech, either orally or in writing, that is directed to inciting or producing imminent lawless action and is likely to incite or produce such action is subject to discipline.
- 3.27 Any student who engages in the unauthorized use of property, equipment, supplies, buildings, or facilities owned or controlled by the System or component institution is subject to discipline.
- 3.28 Any student who, acting singly or in concert with others, engages in hazing is subject to discipline. Hazing in State educational institutions is prohibited by State law ([Texas Education Code Section 51.936](#)). Hazing with or without the consent of a student whether on or off campus is prohibited, and a violation of that prohibition renders both the person inflicting the hazing and the person submitting to the hazing subject to discipline. Initiations or activities of organizations may include no feature that is dangerous, harmful, or degrading to the student, and a violation of this prohibition renders both the organization and participating individuals subject to discipline.
- 3.29 A student who alters or assists in the altering of any official record of the System or component institution or who submits false information or omits requested information that is required for or related to an application for admission, the award of a degree, or any official record of the System or institution is subject to discipline. A former student who engages in such conduct is subject to bar against readmission, revocation of degree, and withdrawal of diploma.
- 3.2(10) Any student who defaces, mutilates, destroys, or takes unauthorized possession of any property, equipment, supplies, buildings, or facilities owned or controlled by a component institution or the System is subject to discipline.
- 3.2(11) A student is subject to discipline for prohibited conduct that occurs while participating in off-campus activities sponsored by a component institution or the System including field trips, internships, rotations, or clinical assignments.
- 3.2(12) Unless authorized by federal, State, or local laws, a student who possesses or uses any type of explosive, firearm, imitation firearm, ammunition, hazardous chemical, or weapon as defined by State or

federal law, while on campus or on any property or in any building or facility owned or controlled by the System or component institution, is subject to discipline.

3.2(13) A student who receives a period of suspension as a disciplinary penalty is subject to further disciplinary action for prohibited conduct that takes place on campus during the period of suspension.

### 3.3 Bar from Campus

A former student who has been suspended or expelled for disciplinary reasons is prohibited from being on the campus of any component institution during the period of such suspension or expulsion without prior written approval of the chief student affairs officer of the institution at which the suspended or expelled student wishes to be present.

### 3.4 Disciplinary Process

3.41 A student may be summoned by written request of the Dean for a meeting to discuss the allegations. The written request shall specify a place for the meeting and a time at least three weekdays after the date of the written request. The written request may be mailed to the address appearing in the records of the registrar or may be hand delivered to the student. If a student fails to appear without good cause, as determined by the Dean, the Dean may bar or cancel the student's enrollment or otherwise alter the status of the student until the student complies with the summons, or the Dean may proceed to implement the disciplinary procedures provided for in Subsection 3.5 of this Chapter. The refusal of a student to accept delivery of the notice or the failure to maintain a current address with the registrar shall not be good cause for the failure to respond to a summons.

3.42 Pending a hearing or other disposition of the allegations against a student, the Dean may take such immediate interim disciplinary action as is appropriate to the circumstances, including: (a) suspension and bar from the campus when it reasonably appears to the Dean from the circumstances that the continuing presence of the student poses a potential danger to persons or property or a potential threat for disrupting any activity authorized by the institution; or (b) the withholding of grades, degree, or official transcript when such action is in the best interest of the institution.

3.43 When interim disciplinary action has been taken by the Dean under Subdivision 3.42 of this Chapter, a hearing of the charges against the student will be held under the procedures specified in Subsection 3.5 of this Chapter, but will be held within 10 days after the interim disciplinary action was taken unless the student agrees in writing to a hearing at a later time or unless the student waives a hearing and accepts the decision of the Dean in accordance with Subdivision 3.44 of this Chapter.

3.44 In any case where the accused student does not dispute the facts upon which the charges are based and executes a written waiver of the hearing procedures specified in Subsection 3.5 of this Chapter, the Dean shall assess one or more of the penalties specified in Subsection 3.6 of this Chapter that is appropriate to the charges and inform the student of such action in writing. The minimum penalty that the Dean may assess when a student admits illegal use, possession, and/or sale of a drug or narcotic on campus is the penalty prescribed in Subdivision 3.23 of this Chapter. The decision of the Dean on penalty only may be appealed to the president of a component institution.

### 3.5 Hearing Process

In those cases in which the accused student disputes the facts upon which the charges are based, such charges shall be heard and determined by a fair and impartial Hearing Officer.

3.51 Except in those cases where immediate interim disciplinary action has been taken, the accused student shall be given at least 10 days written notice of the date, time, and place for such hearing and the name of the Hearing Officer. The notice shall include a statement of the charge(s) and a summary statement of the evidence supporting such charge(s). The notice shall be delivered in person to the student or mailed to the student at the address appearing in the registrar's records. A notice sent by mail will be considered to have been received on the third day after the date of mailing, excluding any intervening Sunday. The date for a hearing may be postponed by the Hearing Officer for good cause or by agreement of the student and Dean.

3.52 The accused student may challenge the impartiality of the Hearing Officer. The challenge must be in writing, state the reasons for the challenge, and be submitted to the Hearing Officer through the Office of the Dean at least three days prior to the hearing. The Hearing Officer shall be the sole judge of whether he or she can serve with fairness and objectivity. In the event the Hearing Officer disqualifies himself or herself, a substitute will be chosen in accordance with procedures of the institution.

3.53 Upon a hearing of the charges, the Dean or other institutional representative has the burden of going forward with the evidence and has the burden of proving the charges by the greater weight of the credible evidence.

3.54 The Hearing Officer is responsible for conducting the hearing in an orderly manner and controlling the conduct of the witnesses and participants in the hearing. The Hearing Officer shall rule on all procedural matters and on objections regarding exhibits and testimony of witnesses, may question witnesses, and is entitled to have the advice and assistance of legal counsel from the Office of General Counsel of the System. The Hearing Officer shall render and send to the Dean and the accused student a written decision that contains findings of fact and a conclusion as to the guilt or innocence of the accused student. Upon a conclusion of guilt the Hearing Officer shall assess a penalty or penalties specified in Subsection 3.6 of this Chapter. Guilt of the illegal use, possession, or sale of a drug or narcotic on campus requires the assessment of a minimum penalty provided in Subdivision 3.23 of this Chapter.

3.55 The hearing shall be conducted in accordance with procedures adopted by the component institution that assure the institutional representative and the accused student the following minimal rights:

- (1) Each party shall provide the other party a list of witnesses, a brief summary of the testimony to be given by each, and a copy of documents to be introduced at the hearing at least five days prior to the hearing.
- (2) Each party shall have the right to appear, present testimony of witnesses and documentary evidence, cross-examine witnesses, and be assisted by an advisor of choice. The advisor may be an attorney. If the accused student's advisor is an attorney, the Dean's advisor may be an attorney from the Office of General Counsel of the System. An advisor may confer with and advise the Dean or accused student, but shall



- not be permitted to question witnesses, introduce evidence, make objections, or present argument to the Hearing Officer.
- (3) The Dean may recommend a penalty to be assessed by the Hearing Officer. The recommendation may be based upon past practice of the component institution for violations of a similar nature, the past disciplinary record of the student, or other factors deemed relevant by the Dean. The accused student shall be entitled to respond to the recommendation of the Dean.
  - (4) The hearing will be recorded. If either party desires to appeal the decision of the Hearing Officer, the official record will consist of the recording of the hearing, the documents received in evidence, and the decision of the Hearing Officer. At the request of the president of a component institution the recording of the hearing will be transcribed and both parties will be furnished a copy of the transcript.

### 3.6 Penalties

The following penalties may be assessed by the Dean pursuant to Subdivision 3.44 of this Chapter or by the Hearing Officer after a hearing in accordance with the procedures specified in Subdivision 3.55 of this Chapter:

- 3.61 Disciplinary probation.
- 3.62 Withholding of grades, official transcript and/or degree.
- 3.63 Bar against readmission.
- 3.64 Restitution or reimbursement for damage to or misappropriation of institutional or System property.
- 3.65 Suspension of rights and privileges, including participation in athletic or extracurricular activities.
- 3.66 Failing grade for an examination or assignment or for a course and/or cancellation of all or any portion of prior course credit.
- 3.67 Denial of degree.
- 3.68 Suspension from the institution for a specified period of time.
- 3.69 Expulsion (permanent separation from the institution).
- 3.6(10) Revocation of degree and withdrawal of diploma.
- 3.6(11) Other penalty as deemed appropriate under the circumstances.

### 3.7 Appeal Procedures

A student may appeal a disciplinary penalty assessed by the Dean in accordance with Subdivision 3.44 of this Chapter. Either the Dean or the student may appeal the decision of the Hearing Officer. An appeal shall be in accordance with the following procedures:

- 3.71 Written notice of appeal must be delivered to the president of the component institution within 14 days after the appealing party has been notified of the penalty assessed by the Dean or the decision of the Hearing Officer. If the notice of penalty assessed by the Dean or the decision of the Hearing Officer is sent by mail, the date the notice or decision is mailed initiates the 14 day period for giving notice of appeal. An appeal of the penalty assessed by the Dean in accordance with Subdivision 3.44 of this Chapter will be reviewed solely on the basis of the written argument of the student and the Dean. The appeal of the decision of the Hearing Officer will be reviewed solely on the basis of the record from the hearing. In order for the appeal to be considered, all the necessary documentation to be filed by the appealing party, including written argument, must be filed with the president within 14 days after notice of appeal is given. At the discretion of the president, both parties

may present oral argument in an appeal from the decision of the Hearing Officer.

3.72 The president may approve, reject, or modify the decision in question or may require that the original hearing be reopened for the presentation of additional evidence and reconsideration of the decision. It is provided, however, that if the finding as to guilt is upheld in a case involving the illegal use, possession, and/or sale of a drug or narcotic on campus, the penalty may not be reduced below the minimum penalty prescribed by Subdivision 3.23 of this Chapter.

3.73 The action of the president shall be communicated in writing to the student and the Dean within 30 days after the appeal and related documents have been received. The decision of the president is the final appellate review.

### 3.8 Disciplinary Record

Each component institution shall maintain a permanent written disciplinary record for every student assessed a penalty of suspension, expulsion, denial or revocation of degree, and/or withdrawal of diploma. A record of scholastic dishonesty shall be maintained for at least five years unless the record is permanent in conjunction with the above stated penalties. A disciplinary record shall reflect the nature of the charge, the disposition of the charge, the penalty assessed, and any other pertinent information. This disciplinary record shall be maintained separately from the student's academic record, shall be treated as confidential, and shall not be accessible to or used by anyone other than the Dean, except upon written authorization of the student or in accordance with applicable State or federal laws or court order or subpoena.

## Sec. 4. Student Organizations

### 4.1 Registration Procedures

An organization in which membership is limited to students (recognizing that faculty and staff may also be members) of a component institution may become a registered student organization at that institution by complying with the registration procedures established by the chief student affairs officer.

### 4.2 Faculty or Staff Advisers

The chief student affairs officer, with the approval of the president of a component institution, may establish regulations requiring faculty or staff advisers for registered student organizations.

### 4.3 Limitation on Representations

A registered student organization may state that its membership is composed of students, or of students, faculty, and/or staff, of a component institution, but it shall not suggest or imply that it is acting with the authority or as an agency of that institution. A student organization shall not use the name of a component institution or the name of The University of Texas System as a part of the name of the organization, and it shall neither display the seal of either a component institution or The University of Texas System in connection with any activity of the organization nor use such seal or seals as a part of any letterhead, sign, banner, pamphlet, or other printed material that bears the name of the organization.

### 4.4 Participation

The chief student affairs officer, with the approval of the president of a component institution, may issue regulations governing the eligibility of students for participation in organized activities.

4.5 Oversight of Programs

Each component institution may establish a committee or committees to assist the chief student affairs officer in overseeing the programs of registered student organizations.

4.6 Disciplinary Action

Any student organization is subject to disciplinary action or revocation of registration as a student organization for violation of a rule or regulation of the System and/or of the institution at which the organization is registered.

4.7 Conditions for Registration

The president of each component institution of the System shall require and enforce the following:

4.71 As a condition to being a registered student organization or group during a semester, every registered student organization or group shall furnish to the appropriate institutional officer at the beginning of each such semester a complete list of officers or other members of the organization or group who are authorized to speak for or represent the organization or group in its relations with the institution and who are authorized to receive for the organization or group official notices, directives, or information from the institution. Each such list shall be kept current and accurate throughout the semester by the organization or group, and it shall be conclusively presumed that the officers or members whose names are on the list most recently filed by the organization or group are authorized to speak for and represent the organization or group in its relations with the institution and are authorized to receive for the organization or group official notices, directives, or information from the institution.

4.72 No registered student organization or group may have any person as a member who is not either a student or a member of the faculty or staff of the institution. Except pursuant to the provisions of Subsection 6.(10) of this Chapter, no organization or group, whether registered or not, may use any facility of any component institution of the System if it has as a member any person who is not either a student or a member of the faculty or staff of the institution.

4.73 At the beginning of each semester, each registered student organization or group must file with the appropriate institutional officer a written statement that the organization or group does not, and will not during the semester, have as a member any person who is not either a student or a member of the faculty or staff of the institution. If an organization or group fails or refuses to file the required statement, or if the Dean of Students determines that the statement is or has become false, the Dean of Students, after providing notice, shall begin disciplinary proceedings. The Dean or Hearing Officer may cancel the registered status of the organization or group or impose other appropriate penalties.

4.74 No organization or group, whether registered or not, may use the facilities of any component institution as long as it owes a monetary debt to the institution and the debt is considered delinquent by the crediting institutional agency.

4.8 Limit on Registration (*last amended 12/13/02*)

Any component institution may require student organizations or groups to sign an agreement to comply with institutional rules and may refuse to register any organization that refuses to sign such an agreement.

4.9 Application for Reregistration

A registered student organization whose registered status has been cancelled by the Dean of Students pursuant to Subdivisions 4.73 or 6.63 of this Chapter may apply for reregistration not less than six months following the date of such cancellation.

Sec. 5. Participation in Student Government

5.1 Students' Associations

Students' associations currently authorized at the component institutions of the System are hereby approved. They shall have such jurisdictions and shall exercise such powers as the Board may now or hereafter delegate to them.

5.11 Constitutions and Bylaws Approved

The constitutions and bylaws of the several associations in force at the date of adoption of these Rules and Regulations are hereby approved.

5.12 Mode of Amending Constitutions and Bylaws

An amendment to the constitution or bylaws of a students' association may be adopted by an association, in accordance with its constitution and bylaws, but the change shall not become effective until transmitted to and approved by the chief student affairs officer, the president, and the appropriate Executive Vice Chancellor.

5.13 Amendment or Repeal by the Chief Student Affairs Officer

The chief student affairs officer shall have the power, when in his or her judgment the interests of the institution require it, to amend or repeal any provision in the constitution or bylaws of the particular association, but such action shall not be effective until approved by the president and the appropriate Executive Vice Chancellor.

5.14 Salaried Employees

All persons officially employed on salary by or under the direct supervision of a students' association shall be subject to approval by the chief student affairs officer and the president.

5.15 Annual Financial Reports

Every officially recognized students' association shall make annually a complete financial report to the institutional chief business officer and shall make such special reports as may be called for by such business officer. A duplicate copy of each report shall be filed with the chief student affairs officer. Committees and administrative units of a students' association shall make such interim reports of financial condition as may be required by the chief student affairs officer.

5.2 Student Opinion

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

5.21 When a students' association takes a position with reference to issues directly related to a component institution and its operations, its recommendations to the Board shall go through the chief student affairs officer, the president, the appropriate Executive Vice Chancellor, and the Chancellor.

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

5.23 A students' association may conduct polls, initiate petitions, and/or establish forums for debate or discussion under conditions approved by the chief student affairs officer.

5.24 Officers of a students' association may so identify themselves when they express their personal views, but they shall then make it clear that they

are not speaking for the institution, or for the student body, and they shall make it clear they are not speaking for the students' association unless the legislative body of that association has authorized the statement in advance.

## Sec. 6. Use of University Facilities

This Section applies only to property, buildings, and facilities owned or controlled by the U. T. System or component institutions that are maintained and used for programs and activities related to the role and mission of the U. T. System or component institutions.

### 6.1 Category of Property

The property, buildings, or facilities owned or controlled by the U. T. System or component institutions are not open for assembly, speech, or other activities as are the public streets, sidewalks, and parks. The responsibility of the Board of Regents to operate and maintain an effective and efficient system of institutions of higher education requires that the time, place, and manner of assembly, speech, and other activities on the grounds and in the buildings and facilities of the U. T. System or component institutions be regulated. Acting pursuant to the general authority of [Texas Education Code Chapter 65](#), and the specific authority of [Texas Education Code Chapter 51](#), the Board of Regents adopts and promulgates this Section relating to the use of buildings, grounds, and facilities for purposes other than programs and activities related to the role and mission of the U. T. System or component institution.

### 6.2 Authorized Users

No person, organization, group, association, or corporation may use property, buildings, or facilities owned or controlled by the U. T. System or a component institution for any purpose other than in the course of the regular programs or activities related to the role and mission of the U. T. System or component institution, unless authorized by the Regents' Rules and Regulations. Any authorized use must be conducted in compliance with the provisions of the Regents' Rules and Regulations, the approved rules and regulations of the component institution, and applicable federal, State, and local laws and regulations.

### 6.3 Identification Required

Pursuant to the authority conferred upon the Board of Regents by [Texas Education Code Section 51.209](#), in order to protect the safety and welfare of students, employees, patients, and other participants in the programs and activities of the U. T. System and component institutions and to protect the property, buildings, and facilities of the U. T. System and component institutions, it shall be unlawful for any person who is on any property or in a building or facility owned or controlled by the U. T. System or a component institution to refuse to identify himself or herself in response to a request by an institutional representative. For the purpose of this Subsection, a person identifies himself or herself by: (1) giving his or her name and complete address substantiated by a current driver's license, voter registration card, or other official documentation; and (2) stating truthfully whether he or she is a student or employee of the U. T. System or a component institution.

- 6.31 For the purpose of this Subsection, an "institutional representative" is:
- (a) Any member of the Board of Regents of the U. T. System or the Counsel and Secretary to the Board;
  - (b) Any executive officer or administrative officer of the U. T. System;
  - (c) Any administrative officer of a component institution;
  - (d) Any attorney of the U. T. System or a component institution;

and

- (e) Any peace officer or security officer of the U. T. System or component institution acting pursuant to authority of Texas law.
- 6.32 Any person who refuses to identify himself or herself in accordance with this Subsection may be convicted of a misdemeanor punishable by a fine of not more than \$200.
- 6.33 Students, faculty, or staff who refuse to identify themselves in accordance with this Subsection are also subject to disciplinary action.

6.4 Protection of Artificial Bodies of Water, and Other Property

Pursuant to the authority conferred upon the Board of Regents by [Texas Education Code Sections 51.202](#) and [51.204](#), in order to protect the safety and welfare of students, faculty, and staff and to protect the property, buildings, and facilities of the U. T. System and component institutions, it shall be unlawful for any person to enter, walk, run, lie, play, remain, or be in the water of any fountain or other artificial body of water, which is not designed and maintained for recreational or therapeutic purposes, located on property owned or controlled by the U. T. System or a component institution unless such person has the prior written permission of the Chancellor or institutional president to enter, remain, or be in such water.

- 6.41 It shall further be unlawful for any person to dump, throw, place, or cause any material, object, person, animal, trash, waste, or debris to be placed in such fountain or other artificial body of water.
- 6.42 It shall also be unlawful for any person to damage, deface, or remove any portion of any fountain, monument, building, statue, structure, facility, tree, shrub, or memorial located on property owned or controlled by the U. T. System or a component institution.
- 6.43 Any person who violates any provision of this Subsection may be convicted of a misdemeanor punishable by a fine of not more than \$200.
- 6.44 Students, faculty, or staff who violate any portion of this Subsection are also subject to disciplinary action.

6.5 Alcoholic Beverages

The use of alcoholic beverages is prohibited on property and in buildings and facilities owned or controlled by the U. T. System or a component institution. However, the Chancellor of the U. T. System or the president of a component institution may waive this prohibition with respect to any event sponsored by the U. T. System or the component institution. An event is sponsored if a budgeted office, department, or division of the U. T. System or the component institution is responsible for organizing the event, inviting attendees, and paying expenses related to the event, including the purchase of food and beverages. Meetings or events organized and presented by registered faculty, staff, or student organizations are not events sponsored by the U. T. System or the component institution. This Subsection does not apply to areas that are licensed under State law for the sale and service of alcoholic beverages, to a Special Use Facility during use by a noninstitutional individual, group, association, or corporation for purposes permitted by Subsection 6.(10) of this Chapter, or to property, buildings, or facilities that are occupied by a third party pursuant to a written lease or occupancy agreement that does not specifically exclude alcoholic beverages. State law relating to alcoholic beverages will be strictly enforced at all times on property and in buildings and facilities owned or controlled by the U. T. System or a component institution.

6.6 Solicitation (last amended 11/13/03) [editorially amended at (w) 9/04]

The term "solicitation" means the sale, lease, rental or offer for sale, lease, rental of any property, product, merchandise, publication, or service, whether for immediate

or future delivery; an oral statement or the distribution or display of printed material, merchandise, or products that is designed to encourage the purchase, use, or rental of any property, product, merchandise, publication, or service; the receipt of or request for any gift or contribution; or the request to support or oppose or to vote for or against a candidate, issue, or proposition appearing on the ballot at any election held pursuant to State or federal law or local ordinances.

- 6.61 No solicitation shall be conducted on any property, street, or sidewalk, or in any building, structure, or facility owned or controlled by any component institution or the U. T. System unless permitted by the Regents' Rules and Regulations. The following activities shall not be deemed solicitations prohibited by this Subsection when conducted in accordance with the approved rules and regulations of the U. T. System or the component institution. Such activities must be conducted in a manner that does not disturb or interfere with the academic programs or administrative activities of the U. T. System or the component institution or any program or activity that is conducted by or is authorized by the U. T. System or component institution; does not interfere with entry to or exit from a building, structure, or facility; does not interfere with the flow of pedestrians or vehicular traffic on sidewalks or streets or at places of ingress and egress to and from property, buildings, or facilities; does not harass, or intimidate the person or persons being solicited; and does not violate applicable State, federal, or local laws or regulations:
- (a) The distribution, sale, or offer for sale of a newspaper, magazine, or other publication by means of an unattended rack or vending machine in area(s) designated in advance by the Chancellor of the U. T. System or the president of a component institution or his or her delegate for the conduct of such activity.
  - (b) The sale or offer for sale of food, drink, or any other product that may be lawfully sold by means of a vending machine that is operated by the U. T. System or component institution or a subcontractor of either, under an approved written agreement, in an area designated in advance by the Chancellor of the U. T. System or the president of a component institution or his or her delegate.
  - (c) The sale or offer for sale by the U. T. System or component institution or a subcontractor of either, under an approved written agreement, of any publication of the U. T. System or the component institution or of any book or other printed material to be used in the regular academic work of the component institution.
  - (d) Any service or service facility for the convenience of the students, staff, faculty, patients, or bona fide visitors that is operated or maintained by the U. T. System or component institution or by a subcontractor or lessee of either, under an approved written agreement, including, but not limited to:
    - (1) any bookstore, specialty store, laundry, pharmacy, cafeteria, or food service;
    - (2) a child care facility limited to children or bona fide dependents of students, faculty, or staff;
    - (3) a State or federal credit union with membership limited primarily to students, faculty, and staff of the component institution and other area institutions of higher education or other component institutions and the U. T. System, and the officers and employees of organizations closely related to the component institution's educational mission, such as officially

recognized alumni associations and cooperative bookstores; (4) private post office boxes under an approved written agreement that limits the use to students, faculty, and staff of the component institution; (5) unmanned teller machines and drop-boxes for express delivery services that are located and maintained under an approved written agreement that prohibits advertising the location of the unmanned teller machine or drop-boxes to the general public; or (6) a travel agency under an approved written agreement that limits the use primarily to students, faculty, and staff of the component institution and prohibits advertising the institutional location of the travel agency to the general public.

- (e) The sale or offer for sale by the U. T. System or component institution or a subcontractor of either, under an approved written agreement, of food, drink, souvenirs, novelty items, and programs at athletic contests or other programs or events sponsored or authorized by the U. T. System or component institution.
- (f) The collection of contributions or the sale of merchandise, publications, food, or nonalcoholic beverages by the students' association or by a registered student, faculty, or staff organization. A students' association or a registered student, faculty, or staff organization may not conduct such solicitation activities on behalf of or for the benefit of any individual, association, organization, corporation, or group of individuals that is not registered as a student, faculty, or staff organization or that is not otherwise qualified under the criteria of Item (i) of Subdivision 6.61 of this Chapter to conduct solicitation. In the case of specific drives for disaster relief, the chief student affairs officer of the institution may approve a drive that complies with all other requirements of Subsection 6.6 of this Chapter. Texas law allows a registered student organization to be relieved from State sales tax liability in certain circumstances detailed in the Texas Tax Code. All proposed sales events are subject to applicable provisions of these Rules and to other institutional policies concerning the time, place, and manner of solicitation. The sales must be for the benefit of the registered organization and may not involve another entity not authorized to solicit under these Rules. The items offered for sale may not be items that the organization has obtained on consignment.
- (g) The collection of membership fees or dues by registered student, faculty, or staff organizations at meetings of such organizations scheduled in accordance with the facilities use regulations of any component institution.
- (h) The collection of admission fees for the exhibition of movies or for other programs that are sponsored or presented by the U. T. System or component institution or, if permitted by and scheduled in accordance with the approved rules and regulations of the component institution, by the students' association or by a registered student, faculty, or staff organization.
- (i) Solicitation of funds by any organization that can present to the Chancellor of the U. T. System or the president of the component institution, or his or her delegate, written evidence



from the Internal Revenue Service that the organization has been granted an exemption from taxation under Internal Revenue Code Section 501(c)(3). Such solicitation must be conducted in an area(s) designated for that purpose by such chief administrative officer or his or her delegate. Persons soliciting on behalf of an organization must have credentials identifying them as authorized agents of the organization. Permission to solicit shall not be used by the organization as an endorsement by the U. T. System or the component institutions. No organization may solicit under this subdivision for more than a total of 14 days, whether continuous or intermittent, during each State fiscal year.

- (j) Occasional sales or offers of sales of goods or services that comply with applicable federal, State, and local laws and regulations and are conducted solely for the resident(s) of an individual university residence hall room or an individual apartment when a resident of such room or apartment has given specific invitation in advance for salespersons to come to the individual residence hall room or individual apartment for that purpose. This exception does not authorize sales or offers of sales of goods or services within a university residence hall room or apartment by the occupant, door-to-door sales or offers of sales of goods or services, or sales or offers of sales of goods or services to persons who are present in an individual residence hall room or apartment but are not residents of such room or apartment.
- (k) Under the terms of an approved written agreement, the acknowledgement of a sponsor of an intercollegiate athletics department or athletic event of a component institution may be displayed on the official Web page of such athletics department and, at the option of the sponsor, a textual hypertext link and/or a graphic hypertext link to the Web page of the sponsor may also be displayed. Such agreement may also provide for an acknowledgement of the sponsor to be announced over a public address system, displayed on a scoreboard or electronic message center, or displayed by other means at locations designated for that purpose in athletic facilities pursuant to an approved policy of the component institution. The content of such acknowledgement and any use of the name, logos, symbols, or marks of a component institution by the sponsor must be according to established formats approved by the Trademark Licensing Director or, if nonstandard, have the prior written approval of the Trademark Licensing Director.
- (l) Advertising displayed on an outdoor electronic marquee or message center owned and operated by the U. T. System or a component institution.
- (m) Advertising and merchandise displayed at an athletic tournament that is sanctioned by the official national or international organization for such athletic competitions, provided that, such advertising and merchandise is required to be displayed under the terms of one or more contractual agreements between such organization and one or more sponsors and such contracts were in effect prior to the date that a component institution was selected as the site for the tournament.

- (n) The sale or offer for sale by a registered student organization of charitable raffle tickets on behalf of an organization that is authorized to conduct a charitable raffle under the provisions of [Texas Occupations Code Section 2002.001](#) et seq.
- (o) The display and demonstration by manufacturers and distributors of personal computer hardware and software suitable for use by students and faculty in the academic programs of a component institution and the presentation of information and demonstrations related to remote networks for personal computers by entities that provide access to such networks. Such activities may be conducted once each academic year upon invitation by the president of the component institution or his or her delegate and must be limited to the time and place designated by and under guidelines specified and controlled by the component institution. A manufacturer or distributor of personal computer hardware or software or an entity that provides access to remote networks for personal computers may not make sales or take orders.
- (p) The distribution or presentation to officers and employees of the U. T. System and component institutions of material related to health benefit plans, life insurance, tax sheltered annuities, retirement plans or programs, or other benefits that are available to such officers and employees through employee benefit plans or programs offered by or approved by the U. T. System. Such material may be distributed or presented only at the Office of Human Resources of the U. T. System or component institutions, at the benefits office of a health profession practice plan of a health component institution, or at meetings scheduled for that purpose pursuant to guidelines established by the U. T. System Office of Human Resources. Those companies that are currently authorized Optional Retirement Program vendors may, at the invitation of the U. T. System and component institutions, be permitted to engage in on-campus group seminars for the purpose of providing education, product marketing, and participant enrollment, subject to such rules and limitations as the U. T. System and component institutions may deem necessary and appropriate. Currently authorized Optional Retirement Program vendors may advertise such on-campus meetings throughout the institution, subject to prior approval by the institution. The term "currently authorized Optional Retirement Program vendor" includes a company that has a current contractual agreement with the U. T. System to provide Optional Retirement Program products to officers and employees of the U. T. System but does not include those companies with grandfathered Optional Retirement Program participation or vendors of Tax Sheltered Annuity products or services.
- (q) Solicitation by the officers or employees of the U. T. System or component institution acting in the course and scope of their authority.
- (r) Subject to the component institution's reasonable and nondiscriminatory rules concerning the time, place, and manner of distribution, sale, or display of material, the distribution, sale, or display by a students' association or a

registered student, faculty, or staff organization of printed material (including any newspaper, magazine, or other publication, any leaflet, flyer, or other informal matter, or any sign, banner, or exhibit), or the distribution or display of such material, at no cost, by individual students, faculty, or staff, or oral statements by students, faculty, staff, or their associations or registered organizations. A publication within this rule may contain paid advertising, but only if the publication is devoted to promoting the views of a not-for-profit organization or to other bona fide editorial content distinct from the advertising. Printed material and oral statements under this rule may also contain advertising for academic or administrative units of The University of Texas System or its component institutions, for registered student, faculty, or staff organizations, or for organizations that are not operated for profit. This rule does not authorize any form of advertising except as provided in the preceding two sentences. This rule does not authorize distribution, sale, or display of any publication operated for profit. An organization or publication is operated for profit if any part of the net earnings of its operation or distribution inures to the benefit of any private shareholder or individual.

(s) The display and distribution of printed material from tables or booths by providers of services that are commonly utilized by students, faculty, and staff of a component institution, such as financial institutions, long distance telephone carriers, utilities, housing locators, printers and duplicators, tutors, or employment agencies. A component institution may designate no more than two one-day periods each academic year during which all authorized providers may engage in such activities in an area selected by the component institution. The number of providers authorized to participate on each of the two one-day periods will be determined by the component institution. The activities of a provider must be limited to the time and place designated by the component institution and must be conducted in compliance with Subdivision 6.61 of this Chapter and other guidelines specified by the component institution. A provider may not make sales of or take orders for services. The component institution shall charge an appropriate fee for the privilege of conducting such activities. Any provider who violates the Regents' Rules and Regulations or the rules and regulations of the component institution in the course of such activities or who has violated a provision of the Regents' Rules and Regulations or the rules and regulations of the component institution during the 12-month period preceding a day designated by the component institution for activities authorized by this subdivision shall not be permitted to participate in such activities.

(t) A component institution may designate a reasonable number of areas immediately adjacent to the exterior of a facility used for intercollegiate athletic events and may authorize such areas to be used for the display of motor propelled vehicles and for the location of booths, tables, or kiosks to be used for the display of merchandise, the distribution of free samples of merchandise, and the display and distribution of printed

material related to merchandise, products, or services. Such activities may be authorized only on the day before and the day of an intercollegiate athletic event or an event that is related to athletics that takes place in the facility. A component institution may designate a reasonable number of areas inside a facility used for intercollegiate athletic events for such activities if the designation and use of the area is approved by the safety officer of the component institution. All persons engaged in or associated with such displays and distributions must conduct those activities in compliance with Subdivision 6.61 of this Chapter and with other guidelines specified by the component institution. Such persons may not make sales of or take orders for such vehicles, merchandise, products, or services. The component institution shall charge an appropriate fee for the privilege of using such areas. If persons engaged in such activities violate the Regents' Rules and Regulations or the rules and regulations of the component institution, such persons and any entity that they are acting for shall not be permitted to engage in activities under this subdivision for a 12-month period.

(u) In the course of an election process held pursuant to the approved constitution, bylaws, or election code of the faculty governance organization or of the student government organization of a component institution or an election held pursuant to the approved rules, regulations, or policies of a component institution, requests may be made to support or to vote for or against a qualified candidate for an office or position to be filled at such election or to support or to vote for or against a proposition to be decided at such election. Such request may be made only by the candidates for an office or position; by a registered student, faculty, or staff organization and its members; or by a student, faculty member, or staff member. Individuals and organizations making such requests must conduct all activities in compliance with the approved time, place, and manner regulations of the component institution; the provisions of the constitution, bylaws, election code, rules, regulations, or policies authorizing the election; and Subdivision 6.61 of this Chapter. No faculty member, staff member, or student employee may engage in such activities during any period that he or she is being paid to perform services for a component institution.

(v) The request to support or to vote for or against a candidate for an elective position or office or for or against a proposition on a ballot for a public election held pursuant to federal, State, or local laws when such request is made by a registered student, faculty, or staff organization, or by a student, faculty member, or staff member. Persons or organizations must conduct such activities in compliance with Subdivision 6.61 of this Chapter; with the time, place, and manner regulations of the component institution; with the provisions of federal, State, or local laws governing such election; and may not use any equipment, supplies, or services of a component institution. No faculty member, staff member, or student employee may engage in such activities during any period that he or she is being paid to perform duties for a component institution. No registered

student, faculty, or staff organization that receives State funds from any source may engage in such activities.

(w) The placement on a Component Institution Web Page (as defined below) of textual and graphic information and a hypertext link to the Web site of a person or commercial entity for which the U. T. System or a component institution may receive revenue or avoid costs as a result of the permitted solicitation ("website Solicitation"). website Solicitations shall be placed on Component Institution Web Pages in accordance with guidelines promulgated by the Executive Vice Chancellor for Business Affairs. A Component Institution Web Page is a page created or maintained by or on behalf of a component institution or an office, department, or division of a component institution, and located within a component institution's information technology environment.

(x) Subject to the component institution's reasonable and nondiscriminatory rules concerning time, place, and manner of posting, students, faculty, and staff may post advertisements for roommates, subleases, and sales of used goods that the seller has personally owned and used.

6.62 All permissible solicitation must be conducted in compliance with Subdivision 6.61 of this Chapter and the time, place, and manner regulations of the component institution. If, after reasonable investigation, it is determined that impermissible solicitation is being or has been conducted or that permissible solicitation is being or has been conducted in violation of the Regents' Rules and Regulations or the approved rules and regulations of the U. T. System or component institution (1) a student, a faculty member, or a staff member will be subject to such disciplinary penalty as may be appropriate, and (2) a students' association or a registered student, faculty, or staff organization shall be prohibited from solicitation for such period or periods of time as may be appropriate. In the case of repeated violations, the registered status of the organization may be cancelled or other appropriate penalties may be imposed. Any penalty or penalties must be imposed pursuant to the due process procedures of applicable Regents' Rules and Regulations or approved rules and regulations of the U. T. System or component institution.

6.63 The students' association and each registered student organization shall, within 30 days after the beginning of each long session semester, file with the Dean of Students or other appropriate official a statement fully disclosing the sources and amounts of money obtained from solicitations during the preceding semester or summer session and fully disclosing the purposes and amounts of the expenditures made during the preceding semester or summer session. Any organization failing to comply with the provisions of this Subsection shall be prohibited from solicitation activities until the organization files the required report.

6.7 Use of Property, Buildings, or Facilities by Students' Associations; Registered Student, Faculty, or Staff Organizations; or Officially Recognized Alumni Associations (last amended 12/13/02)

Subject to constitutional and statutory restrictions on the use of State of Texas property for religious or political purposes, a students' association; a registered student, faculty, or staff organization; or an officially recognized alumni association that qualifies under Subdivision 6.61(i) of this Chapter and whose fund-raising activities are dedicated to the benefit of the U. T. System or a component

institution, may reserve and use buildings, grounds, and facilities owned or controlled by the U. T. System or component institution in compliance with reasonable and nondiscriminatory time, place, and manner provisions of the approved regulations of the U. T. System and component institution. Such regulations shall specify the procedures under which such organizations may reserve the buildings, grounds, and facilities for their use. Such use must be for purposes permitted by the Regents' Rules and Regulations and be conducted in compliance with Subdivision 6.61 and Subdivision 6.62 of this Chapter. Groups of students, faculty, or staff who are not registered or groups of alumni other than officially recognized alumni associations whose fund-raising activities are dedicated to the benefit of any component institution may not use the institution's buildings, facilities, or grounds.

- 6.71 A students' association, a registered student, faculty, or staff organization, or an alumni association may not reserve or use property, buildings, or facilities owned or controlled by the U. T. System or a component institution for the purpose of engaging in any project or program with any association, organization, or corporation, or with any individual or group of individuals that are not registered.
- 6.72 In compliance with reasonable and nondiscriminatory regulations of the U. T. System and component institution, students, faculty, or staff, a students' association, or a registered student, faculty, or staff organization, may petition, post signs, distribute literature, set up tables and exhibits, or peacefully demonstrate on property owned or controlled by the U. T. System or component institution, provided that the posting of signs and the setting up of tables and exhibits may require prior authorization.
- 6.73 No person, including a student or employee of a component institution, shall distribute any petition, handbill, object, or piece of literature; post or carry any sign, placard, or banner; or engage in speech or conduct on property or in buildings or facilities owned or controlled by the U. T. System or a component institution if it is obscene, libelous, or directed to inciting or producing imminent lawless action and is likely to incite or produce such action.

6.8 Student Center or Student Union

The use of student center or student union facilities of a component institution shall be subject to Regents' Rules and Regulations and to the approved rules and regulations of the component institution.

6.9 Joint Sponsorship of the Use of Property, Buildings, or Facilities

Except as permitted in Subdivision 6.61, Subsection 6.(10), and Subsection 6.(11) of this Chapter, the use of property, buildings, or facilities owned or controlled by the U. T. System or a component institution by individuals who are not students, faculty, or staff; by groups that are not registered student, faculty, or staff organizations; or by associations or corporations for programs or activities must be jointly sponsored by the U. T. System or the component institution and shall be subject to the following conditions.

- 6.91 The program or activity must be upon the invitation of the U. T. System or component institution. Only the Chancellor of the U. T. System or the president of a component institution, or his or her delegate, can authorize joint sponsorship.
- 6.92 In order for joint sponsorship to be appropriate, the educational implications of a program or activity must be self-evident, must directly supplement the educational purposes of the U. T. System or component institution, and must not result in financial gain for the invited individual,

- group, association, or corporation.
- 6.93 The U. T. System and component institutions established as public institutions without regard to political affiliation or religious faith cannot be a joint sponsor for political or sectarian gatherings.
- 6.94 The U. T. System or component institution will be responsible for all details of the program or activity, and reserves the right to approve all copy for advertising and news releases, and may require an accounting of the income and expenses directly related to the program or activity.
- 6.95 The scheduling of property, buildings, or facilities for programs or activities of the U. T. System or component institution shall always have priority over the scheduling for programs or activities that are jointly sponsored.
- 6.96 The fee to be paid by the invited individual, group, association, or corporation will be a matter for negotiation in each case and will be specified in the agreement providing for the joint sponsorship. At a minimum, the fee must ensure recovery of the cost incurred by the U. T. System or component institution.

6.(10) Special Use Facilities (*last amended 11/13/03*)

Notwithstanding any other provisions of this Chapter, the president of a component institution may designate specific facilities, such as special event centers, conference centers, concert halls, theaters, or auditoria, as Special Use Facilities. The president shall cause to be prepared and submitted for approval, as a part of the Handbook of Operating Procedures of the component institution, appropriate rules and regulations for the reservation and use of Special Use Facilities. The rules and regulations must restrict the reservation and use of such facilities in accordance with the following:

- 6.(10)1 Designation as a Special Use Facility shall not constitute the facility a public facility or forum that is open to use by individuals, groups, associations, or corporations on a first come, first served basis.
- 6.(10)2 Priority in the reservation and use of Special Use Facilities shall be given to programs and activities of the U. T. System or component institution that are in furtherance of and related to the educational, cultural, recreational, and athletic programs of the U. T. System or component institution.
- 6.(10)3 As a lower priority, the rules and regulations may provide for reservation and use of Special Use Facilities by individuals, groups, associations, or corporations without the necessity of joint sponsorship by the U. T. System or component institution. Subject to all constitutional and statutory provisions relating to the use of State property or funds for religious or political purposes, Special Use Facilities may be made available for religious and political conferences or conventions. Rates must be charged for the use of the Special Use Facility that, at a minimum, ensure recovery of that part of the operating cost of the facility attributable directly or indirectly to such use. If the user charges those attending an event any admission or registration fee, or accepts donations from those in attendance, the component institution shall require the user to make a complete account of all funds collected and of the actual cost of the event. If the funds collected exceed the actual cost of the event, the user shall be required to remit such excess funds to the component institution as an additional charge for the use of the Special Use Facility provided however, the Board may permit exceptions to this requirement by the authorization of specific special use agreements via the Docket or Agenda.

6.(10)4 The rules and regulations applicable to a Special Use Facility may provide for the rental of space for display of advertising and the display of samples of merchandise in designated areas inside the Facility that have been approved by the president of the component institution or his or her delegate, and for advertising by displays on an electronic scoreboard or message center inside the Facility or on the Facility's outdoor electronic marquee or message center. Such rules and regulations may further provide for the sale of advertising space on ticket envelopes for events sponsored by the Facility and in any publication of the Facility distributed in connection with a sponsored event or announcing future sponsored events.

6.(11) Filming Motion Pictures or Television Productions (last amended 9/8/03)

The Chancellor or the president of a component institution or his or her delegate may authorize the use of property, buildings, or facilities owned or controlled by the U. T. System or component institution for filming motion pictures or television productions under a written agreement approved pursuant to U. T. System procedures. Requests to film a motion picture or television production will be reviewed and considered on a case by case basis and, subject to the provisions of this Subsection, it shall be within the discretion of the Chancellor or the president of a component institution or his or her delegate, following consultation with campus security personnel, to determine whether to grant the request. The safety of students, faculty, and staff; the potential for damage to buildings, facilities, or property and for disruption of administrative or academic programs or other scheduled activities; and the subject matter of the film shall be of primary consideration in determining whether to grant a filming request.

6.(11)1 The Chancellor, president, or delegate will be responsible for assuring that scheduled time(s) and location(s) for filming do not interfere with administrative and academic programs or other scheduled activities of the U. T. System or component institution.

6.(11)2 Either the script for the motion picture or television production or the topic and format for a live or unscripted program must be approved by the Chancellor or the president of a component institution or his or her delegate.

6.(11)3 The production company must identify the persons or entities with an interest in the company.

6.(11)4 The production company must provide a policy of comprehensive general liability and property damage insurance issued by a company authorized to do business in the State of Texas naming the Board of Regents, the U. T. System, the component institution, and the officers and employees of each as additional insureds, providing coverage for injury and death of persons and damage to property that result directly or indirectly from the negligent or intentional act or omission of, or from the use or condition of any property, equipment, machinery, or vehicle used, operated, or controlled by, the production company or its officers, employees, agents, or subcontractors while on property owned or controlled by the U. T. System or a component institution. The scope and limits of coverage shall be determined by the Chancellor or the president of a component institution or his or her delegate on the basis of the nature and extent of the activities to be conducted by the production company and the property, buildings, or facilities to be utilized. In no event shall the limits of liability for each occurrence be less than \$2 million for injury or death of a person and \$1 million for property damage. (Note: The Board approved revision of this requirement on September 8, 2003, conditioned upon the directive that protection be obtained against



all liability, to the extent possible.)

- 6.(11)5 A use fee will be established in each case based upon the nature and extent of the activities, including costs associated with moving and replacing computers and other equipment and furniture of the production company and the U. T. System or component institution property, buildings, facilities, personnel, and services that are required to accommodate such activities. The use fee must be paid in advance by a certified or cashier's check made payable to the U. T. System or component institution. If the production company cancels a scheduled use, the deposit, less any expense incurred by the U. T. System or component institution in preparation for such use, will be refunded.

6.(12) Use of the U. T. TeleCampus Internet website

The U. T. TeleCampus internet Web site established and maintained by the Director of the U. T. TeleCampus shall be for the primary purpose of providing access to distance learning courses offered by the U. T. System component institutions and providing students participating in on-campus or distance learning courses of the U. T. System component institutions with access to student support services such as registration, admission, financial aid, course advising, and library resources. The U. T. TeleCampus internet Web site shall also be utilized by the U. T. System to provide training and support to faculty of the U. T. System component institutions in the development of distance learning courses and degree programs. The Director of the U. T. TeleCampus may establish links to the U. T. TeleCampus internet Web site for distance learning courses and information concerning such courses offered by universities and other entities outside the U. T. System under the following conditions:

- 6.(12)1 The course or courses must not be competitive with a course of a U. T. System component institution that may be accessed through the U. T. TeleCampus.
- 6.(12)2 The Director of the U. T. TeleCampus, with the advice of qualified U. T. System faculty, will determine whether the content and quality of each course are appropriate for the U. T. TeleCampus.
- 6.(12)3 The establishment of the link from the U. T. TeleCampus internet Web site must be pursuant to an approved written agreement that (i) provides for appropriate compensation to the U. T. System and (ii) permits the termination of the agreement with respect to any course or courses upon completion by students currently enrolled, if the Director of the U. T. TeleCampus determines that another source offers a higher quality course or if it is determined that a U. T. System component institution will provide access to a competitive course through the U. T. TeleCampus internet Web site.

6.(13) Animals on Campus

With the exception of certified support animals and animals involved in approved University activities, animals are not permitted in any university building. Animal(s) may be brought onto campus, other than in buildings, but should be appropriately restrained and/or contained. The owner shall be responsible for cleaning up after the animal.

6.(14) Use of Facilities for Weddings (added 5/8/03)

The president of a component institution, or his or her delegate, and the Chancellor of the U. T. System, or his or her delegate, may designate one or more indoor and/or outdoor areas that may be used for weddings, subject to the following conditions:

- 6.(14)1 Requests for use of such space must be made at least fourteen (14)

- days in advance.
- 6.(14)2 Use of such space for activities of a component institution or the U. T. System shall have priority over weddings.
  - 6.(14)3 A charge for the use of such space will be made that at least recovers the actual cost.
  - 6.(14)4 The user shall be required to execute a Facilities Use Agreement, the form and content of which has been approved by the U. T. System Office of General Counsel and provides for adequate insurance.

Sec. 7. Speech and Assembly (last amended 12/13/02)

7.1 Regulations

The freedoms of speech and assembly are basic and essential to intellectual development. However, these activities are subject to the well-established right of colleges and universities to regulate time, place, and manner so that the activities do not intrude upon or interfere with the academic programs and administrative processes of the System or the component institutions. Each component institution may designate one or more appropriate areas on the campus where students, faculty, and staff may engage in rallies, group demonstrations, or public oratory without prior administrative approval. All rallies, group demonstrations, and public oratory must be conducted in accordance with the provisions of this Chapter and the reasonable and nondiscriminatory rules and regulations of the component institution.

Students, faculty, or staff who are candidates for public office or who wish to campaign on behalf of a particular candidate or candidates may engage in conduct in behalf of such candidacy in the areas designated pursuant to this Subsection or in accordance with the provisions of Subsection 7.2 of this Chapter relating to off-campus speakers.

7.2 Off-Campus Speakers

The Board has and reserves the right to regulate the presentation of guest speakers on the campus who are unaffiliated with the System or any component institution thereof (hereafter referred to as off-campus speakers).

- 7.21 Only registered student organizations, faculty or staff organizations, System-owned dormitories, and Student Government may present off-campus speakers on the campus.
- 7.22 The organization sponsoring an off-campus speaker has the responsibility of making clear the fact that the organization, not the institution, is extending the invitation to speak and that any views the speaker may express are his or her own and not necessarily those of the System or of any component institution.
- 7.23 An off-campus speaker is subject to all provisions of federal, State and/or local laws.
- 7.24 Registered student organizations, faculty or staff organizations, University-owned dormitories, and the students' association may be permitted the use of System-owned facilities to present off-campus speakers on campus pursuant to the facilities use regulations of the System and the institution.
- 7.25 An application for the use of any facility of the System or a component institution must be made to the Chancellor of the U. T. System or the president of a component institution, or his or her delegate, at least 48 hours before the time the event is scheduled to take place.
- 7.26 No person shall be permitted on any campus of the System to engage in speech, either orally or in writing, which is directed to inciting or

producing imminent lawless action and is likely to incite or produce such action.

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

Sec. 8. General Admission Policy

The component institutions of the U. T. System will make maximum use of resources, consistent with standards of appropriate accrediting bodies and enrollment and admissions policies approved by the Board, to admit and educate as many qualified students as possible.

Sec. 9. Assessment, Collection, and Waiver of Tuition and Fees (*editorially renumbered 12/02*)

Tuition, fees, and other charges will be fixed as prescribed or as authorized by statute and will be published in the institutional catalog with a description of the criteria for any authorized exemptions and waivers.

9.1 Exemptions and Waivers

The authority of the U. T. Board of Regents to grant exemptions and waivers from tuition, fees, and other charges in accordance with statute, is delegated to the presidents of the U. T. System component institutions.

9.2 Approval of Certain Fee Changes

The Board delegates to the presidents of the component institutions the authority to approve changes in the amounts of other fees or charges authorized by [Texas Education Code Section 54.504](#) or [Section 54.007](#) that have previously been approved by the Board and to approve changes in the amounts of charges authorized by [Texas Education Code Section 55.16](#), that have previously been approved by the Board. As a condition to approval of any increase in such fees and charges, the institutional president must find that such increase is required in order for the fee or charge to reasonably reflect the actual cost to the component institution of the materials or services to be provided.

9.3 Approval of Changes in Laboratory and Supplemental Fees

The Board delegates to the presidents of the component institutions the authority to approve changes in laboratory fees authorized by [Texas Education Code Section 54.501\(a\)](#), and changes in supplemental fees authorized by [Texas Education Code Section 54.051\(l\)](#), for laboratory and supplemental fees previously approved by the Board.

9.4 Approval to Collect Payment of Tuition, Fees, and Other Charges

The Board delegates to the presidents of the component institutions the authority to collect the payment of tuition, fees, and other charges in accordance with those methods prescribed or authorized by statute.

Sec. 10. Off-Campus Student Housing (*editorially renumbered 12/02*)

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

Sec. 11. University Policy in Regard to Debts of Students (*editorially renumbered 12/02*)

11.1 Student Responsibilities

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

11.2 Penalties for Nonpayment

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

Sec. 12. Anonymous Publications (*editorially renumbered 12/02*)

Anonymous publications are prohibited, and any individual or organization publishing or aiding in publishing, or circulating or aiding in circulating, any anonymous publication will be subject to disciplinary action.

Sec. 13. Negotiations Related to Disruptive Activities Prohibited (*editorially renumbered 12/02*)

Neither the Chancellor of the U. T. System or the president of a component institution nor any officer in the System Administration, nor any representative of either of them when dealing with disruptive activities, shall negotiate or attempt to negotiate with any person or persons engaged in any disruptive activity on the campus of any component institution of the System. When such a situation arises, the Chancellor of the U. T. System or the president of a component institution or any officer in the System Administration, or any representative of either of them, shall take immediate action to utilize all lawful measures to halt and eliminate any and all such disruptive activities that come to their attention provided, however, the Chief of Police of the U. T. System or any component institution and those people designated by any such Chief of Police are authorized to use their sound discretion under the attendant circumstances in addressing any such disruptive behavior.

## **PART ONE, CHAPTER VII**

### **PRIVATE SECTOR SUPPORT**

Sec. 1. Gifts to The University of Texas System (*editorially amended 11/03*)

1.1 Authority to Accept Gifts and Development of Gift Acceptance Procedures

The authority to accept gifts to the U. T. System or to any of the component institutions is vested in the Board and delegated by the Board as specifically set out in this Section. Except as provided in this Subsection, the preceding Subsections, or approved institutional policies, no member of the staff of any institution has the authority to accept gifts. The Board delegates to the Vice Chancellor for External Relations the authority and responsibility to promulgate a set of guidelines regarding the acceptance, processing, investment, and administration of gifts. These guidelines will be known as the "U. T. System Gift Acceptance Procedures" and shall be adhered to by the component institutions and U. T. System. In promulgating the "U. T. System Gift Acceptance Procedures", the delegate shall also consider provisions to:

- 1.11 Accomplish the goal of increasing financial support for the U. T. System through the appropriate assistance of donors,
- 1.12 Allow staff members to respond to donor initiatives quickly and with certainty,
- 1.13 Establish administrative processes to accept and administer gifts in a prudent and efficient manner, with fiduciary responsibilities of fundamental importance,
- 1.14 Comply with the Texas Constitution and applicable federal and State law,
- 1.15 Comply with the provisions of the Internal Revenue Code and related regulations,
- 1.16 Specifically incorporate provisions related to the acceptance of pledges to fund endowments as follows:
  - 1.161 At least 20% of the donors' total proposed funding must be received prior to the acceptance of an endowment, and
  - 1.162 The pledge for payment of the remaining funds shall not extend beyond five years from the date of execution of the gift agreement.
- 1.17 Specify that requests to establish quasi-endowments are to be submitted only when it is expected that the endowment will be maintained permanently, and
- 1.18 Provide that, in the interest of financial responsibility and efficiency, it is the specific preference of the Board that all endowment gifts be eligible for commingling for investment purposes with other endowment funds.

1.2 Conformance to System Policies

Unless otherwise approved by the Board, all gifts to the System or any component institution shall be made in accordance with all relevant laws and Board policies, including but not limited to the provisions of the U. T. System Gift Acceptance Procedures, the Gift Policy Guidelines for Surface and Mineral Estates in Real Property, the U. T. System Environmental Review Policy for Acquisitions of Real Property Assets, and approved institutional policies.

1.21 Real Property

Acceptance of all gifts of real property shall be subject to the U. T. System Gift Policy Guidelines for Surface and Mineral Estates in Real Property and the Environmental Review Policy for Acquisitions of Real Property Assets.

1.22 Outdoor Works of Art

Approval by the Board of Regents is required prior to the acceptance of a gift of an outdoor work of art. Considerations will include appropriateness with regard to the component institution's Campus Master Plan and any installation and/or continuing expense to the institution.

- 1.3 Gifts Not Administered by Office of External Relations  
The Board delegates to the Chancellor or the president of a component institution, or a designee specified in writing, the authority to accept gifts, other than gifts of real property, that are not processed or administered by the Office of External Relations and that conform to all relevant laws and Board policies, including but not limited to the U. T. System Gift Acceptance Procedures, the Gift Policy Guidelines for Surface and Mineral Estates in Real Property, the Environmental Review Policy for Acquisitions of Real Property Assets, and approved institutional policies, provided that such gifts have a value of \$500,000 or less (in cash or in-kind). Such gifts that have a value of more than \$500,000 (in cash or in-kind) must be submitted to the Board for approval via the Docket.
- 1.4 Certain Gifts of Real Property (*editorially amended 9/04*)  
The Board delegates to the Executive Vice Chancellor for Business Affairs, or a designee specified in writing, authority to accept all gifts of real property of any value that are not processed or administered by the Office of External Relations and that conform to all relevant laws and Board policies, including but not limited to the U. T. System Gift Policy Guidelines for Surface and Mineral Estates in Real Property, the Environmental Review Policy for Acquisitions of Real Property Assets, and approved institutional policies.
- 1.5 Gifts Administered by Office of External Relations  
The Board delegates to the Vice Chancellor for External Relations, or a designee specified in writing, authority to accept all gifts of any value (either in cash or in-kind) that conform to all relevant laws and Board policies, including but not limited to the U. T. System Gift Acceptance Procedures, the Gift Policy Guidelines for Surface and Mineral Estates in Real Property, and the Environmental Review Policy for Acquisitions of Real Property Assets, and are processed or administered by the Office of External Relations.
- 1.6 Delegation of Certain Actions  
The Board delegates to the Vice Chancellor for External Relations, or a designee specified in writing, authority to take any and all desirable actions relating to the administration and management of gifts accepted by the Office of External Relations, including without limitation the modification or termination of trusts, endowments, and quasi-endowments as may be permitted by applicable law, policies, these Rules and Regulations, and the Gift Acceptance Procedures.
- 1.7 Internal Revenue Service Forms for Gifts Accepted by the Board or President  
The Board delegates to the president of a component institution, or a designee specified in writing, authority to execute all necessary Internal Revenue Service forms, including without limitation IRS Forms 8283 and 8282, that relate to gifts accepted by the president or accepted by the Board via the Docket or as an Agenda Item.
- 1.8 Internal Revenue Service Forms for Gifts Administered by the Office of Development and Gift Planning Services (*editorially amended 9/03 and 9/04*)  
The Board delegates to the Vice Chancellor for External Relations, or a designee specified in writing, authority to execute all necessary Internal Revenue Service forms, including without limitation IRS Forms 8283 and 8282, that relate to gifts processed or administered by the Office of Development and Gift Planning Services.
- 1.9 Internal Revenue Service Forms for Real Property Gifts (*editorially amended 9/03 and 9/04*)

The Board delegates to the Executive Vice Chancellor for Business Affairs, or a designee specified in writing, authority to execute all necessary Internal Revenue Service forms, including without limitation IRS Forms 8283 and 8282, that relate to real property gifts processed or administered by the Real Estate Office and University Lands - West Texas Operations.

1.(10) Gifts Report

The Office of External Relations shall submit a report to the Board summarizing acceptance and approval by the Office of External Relations of gifts and other actions

which conform to all relevant laws and Board policies, including but not limited to the Gift Acceptance Procedures, no less frequently than annually.

1.(11) Nonconforming Gifts

Recommendations regarding the acceptance of gifts or other actions which do not conform to all relevant laws and Board policies, including but not limited to the Gift Acceptance Procedures, shall be made through the Chancellor to the Board via the Agenda after review by the appropriate offices of the terms of the gifts, the nature of the donated assets and/or the requested action.

1.(12) Gifts to Establish Endowments

Endowments will be established with gifts that have been completed for tax purposes or with a combination of such gifts and pledges at a minimum funding level of \$10,000. Endowments may be established to fund scholarship programs and other educational activities as well as the endowed academic positions specified in Section 3 of this Chapter.

1.(13) Administration of Gift to Benefit Individual

Neither the System nor any of its component institutions will administer a gift for the benefit of any designated individual unless the donor is exempt from federal income taxes as defined by the Commissioner of Internal Revenue.

1.(14) Conduct Related to Gifts (*editorially amended 9/04*)

1.(14)1 The Board will not serve as executor or administrator of an estate because of the potential for conflicts of interest and the scope of the required duties.

1.(14)2 U. T. System and component institution employees who agree to serve as executor or administrator of a donor's estate which benefits a U. T. System component institution are immediately to notify the Office of Development and Gift Planning Services of their appointment. Upon notification, the employee will be furnished a statement advising of the potential for conflicts of interest and directing that all communications pertaining to the estate between the employee and any office of the U. T. System or the component institutions shall be in writing.

1.(14)3 U. T. System and component institution employees should not knowingly act as witnesses to wills in which the U. T. System or a component institution is named as a beneficiary because their doing so may jeopardize the receipt of the bequest.

1.(14)4 Because of the potential for conflicts of interest, U. T. System and component institution employees who agree to serve as trustee of a trust benefiting a U. T. System component institution are immediately to notify the Office of Development and Gift Planning Services of their appointment. Upon notification, the employee will be furnished with a statement advising of the potential for conflicts of interest and directing that all communications pertaining to the trust between the employee and

any office of the U. T. System or the component institutions shall be in writing.

Sec. 2. Fellowships, Scholarships, and Loan Funds

2.1 Administration

After gifts for fellowships, scholarships, and loan funds have been accepted by the Board, as indicated previously, they are administered jointly by designated committees and the business office of each component institution.

2.2 Selection of Scholarship and Fellowship Recipients, Notice of Award, and Payment

In the case of scholarships and fellowships, the appropriate committee, or designated individual, receives applications, makes the necessary inquiries, and determines the award. The committee advises the institutional head of the award who, in turn, approves and forwards the notice of award to the business office. Payments on scholarships and fellowships are made through the business office of the component institution.

2.3 Loan Fund Process

In the case of loan funds, the appropriate committee or designated person receives applications for loans, makes the necessary inquiries, and approves or declines the original loan as well as all renewals and extensions. The Chairman notifies the business office of the granting of loans, and all records including notes, cash, accounts, and collections are thereafter handled by that office. The principal of loan funds is kept intact insofar as possible. The Chairman of the awarding committee may be requested by the business office to assist in collection of past due interest or principal.

Sec. 3. Endowed Academic Positions

3.1 Approval Prior to Commitment or Announcement

No endowment will be established or announced without prior approval by the Board or its designee(s). No initial appointment will be made to an endowed or named academic position without prior approval as a Request for Budget Change by the president of a component institution after review and approval by the appropriate Executive Vice Chancellor. Subsequent new or continuing appointments to the endowed or named academic positions may be approved as a part of the annual operating budget.

No negotiations or commitments implying the establishment of the endowment of an academic position will be undertaken by any faculty member or officer of the component institution until the proposal has been formally approved by the president.

3.2 Categories and Minimum Funding Levels (editorially amended 11/03)

The six categories of endowed and named academic positions and the minimum funding levels to establish the positions are: Distinguished University Chairs (\$2 million), Distinguished Chairs (\$1 million), Chairs (\$500,000), Distinguished Professorships (\$250,000), Professorships (\$100,000), and Fellowships (\$50,000). All agreements related to endowed academic positions made prior to April 14, 1988, will remain in effect unless a specific request for change is made by the donor and the institution and approved by the Board. Individual component institutions are not required to utilize all categories of endowed academic positions and may, with advance administrative approval and inclusion in the institutional Handbook of Operating Procedures, limit institutional endowment activity to those



position categories which best fit the component institution goals and mission.

- 3.21 Whether an endowment has attained the minimum funding level necessary to establish a particular academic position will be determined by the total market value of contributions to the endowment in the form of gifts from donors or transfers of institutional funds at the time the contribution is made. Funding levels will not be determined by the amount of net sale proceeds received from a non-cash gift or by the current market value of the investments held in an endowment.
- 3.22 With the specific approval of the Board, a named academic position may be established without the above minimum funding levels only in accordance with agreements recommended by the Chancellor, the appropriate Executive Vice Chancellor, and the Vice Chancellor for External Relations. Such agreements must contain the provisions outlined in Subdivisions 3.23 and 3.24 of this Chapter.
- 3.23 If an external entity requests that the Board establish a named academic position based upon the entity's agreement to hold and manage an endowment fund supporting the position, the entity must irrevocably agree to dedicate the endowment to the support of the academic position in perpetuity or for a specified term of years. The entity must agree to adhere to Board policies regarding minimum funding levels for an endowment. The entity must agree to employ annual payout policies that are consistent with the goal of distributing from the endowment, or otherwise contributing to the institution, an annual payout amount substantially similar to that distributed from a comparable Board-managed endowment. The entity must agree that funds distributed from the endowment shall be paid to the institution for further expenditure in accordance with Board policies. The Board must retain the right to appoint all holders of the academic position.
- 3.24 If an external entity requests that the Board establish a named academic position without the funding of an endowment to support the position, the entity must irrevocably agree to contribute annually, either in perpetuity or for a specified term of years, an amount substantially similar to that distributed from a Board-managed endowment in support of a comparable position. The entity must agree that the funds will be contributed for further expenditure in accordance with Board policies regarding the particular category of academic position being established. The Board must retain the right to appoint all holders of the academic position.

### 3.3 Distinguished University Chairs, Distinguished Chairs, Chairs, Distinguished Professorships, and Professorships

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

### 3.4 Endowed Fellowships

Distributions from the endowment may be used to supplement the salary of the holder of the fellowship, who may be a qualified person of any academic rank irrespective of tenure status, and will also be available for other professional support of the holder. The endowed fellowship will be used to provide temporary support (not to exceed one academic year) of distinguished scholars who are in temporary residence at the component institution while participating in planned academic programs; visiting scholars who are in temporary residence at the institution for special academic programs or purposes; component institution faculty who have made unique contributions to academic life or to knowledge in their academic discipline; and component institution faculty of any academic rank, irrespective of tenure status, who have been selected for teaching excellence through procedures established by the component institution. Grants for endowed visiting professorships and endowed teaching fellowships of at least \$50,000 already under contractual agreement for the future, bequests included in wills made prior to April 14, 1988, and other prior bona fide arrangements for endowed teaching fellowships and endowed visiting professorships are excepted in this regulation. Grants for endowed lectureships of at least \$20,000 already under contractual agreement for the future, bequests in wills made prior to April 14, 1988, and other prior bona fide arrangements for endowed lectureships are excepted from the minimum amount restriction in this regulation.

#### Sec. 4. System Private-Fund Development

##### 4.1 Responsibilities of the Board

Among the most important responsibilities of the Board are those of establishing policies and procedures by which the developmental needs of the System and its component institutions can be determined and of directing vigorous efforts to attract private-fund support for meeting these needs.

##### 4.2 Responsibilities of the Chancellor

The Chancellor is to serve as the chief executive officer for fund development and as the agent of the Board for the discharge of development responsibilities. The Chancellor shall define for the Board, at periodic intervals, descriptions of current and future needs, as determined by the presidents and System Administration, taking into account such needs as each component institution development board may have recommended.

#### Sec. 5. Development Board of a Component Institution

##### 5.1 Authorization

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

##### 5.2 Responsibilities and Duties

Responsibilities and duties of the component institution development boards:

5.21 The component institution development board is the agency responsible to the president of each institution for all private-fund development for that institution.

5.22 The component institution development board shall recommend through

the component institution president, the appropriate Executive Vice Chancellor, and the Chancellor to the Board of Regents the approval of current and long-range policies which shall govern activities and responsibilities in cultivating and securing private funds for the institution.

- 5.23 The component institution development board shall have responsibility:
- 5.231 For studying and developing total development needs of the component institution.
  - 5.232 For coordinating and formulating plans and actively promoting support for both current and long-range programs to meet the developmental needs of the component institution.
  - 5.233 For developing gift possibilities not related to predetermined projects.
  - 5.234 For periodic reports of progress to the president and the Chancellor on the plans and programs of the component institution development board. It is expected that a continuing program of the component institution will include collection and dissemination of information regarding gifts and endowments.
  - 5.235 At periodic intervals, the president shall lay before his or her development board descriptions of current development needs.

5.3 Composition and Operation of a Component Institution Development Board  
*(editorially amended 11/03)*

The component institution development board shall consist of members recommended and appointed by the president of each component institution with final review and approval of the membership delegated by the Board of Regents to the Chancellor following consultation with the Executive Vice Chancellor for Health Affairs or the Executive Vice Chancellor for Academic Affairs. Presidents of component institutions shall adopt guidelines for the appointment and/or reappointment of the members of the component institution development board. The guidelines shall make clear each individual's term of office and the expectations and responsibilities of membership. Consideration shall be directed to appropriate balance in board membership, including concerns relating to gender, ethnicity, range of experience, geographical distribution, and the special needs of the institution and the board. Component institutions shall forward an accurate roster of development board membership to the Chancellor via the Vice Chancellor for External Relations no later than July 15 of each year. All terms shall officially begin on September 1. Official rosters of board membership shall be maintained in the Office of the Vice Chancellor for External Relations. The president of the component institution and the Chancellor (or his or her delegate) shall be ex officio members with voting privileges. The component institution development board will elect a Chairman and such other officers as are appropriate from among its membership.

5.4 General Policies of the Component Institution Development Boards

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

foundations shall be established or continued in existence except with the approval of the appropriate Executive Vice Chancellor, the Chancellor, and the Board of Regents. The president of each component institution shall be responsible for stimulating, guiding, and assisting the component institution development board and internal foundations of the component institution he or she heads and he or she may require suitable annual reports from each. All such activities shall be coordinated through the office of the president and the director of the component institution development board.

5.5 Special Campaigns

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

5.6 Activities by Ex-Students' Associations

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

5.7 Executive Office of a Component Institution Development Board

5.71 Within the office of the president there may be appointed by the president, with the approval of the appropriate Executive Vice Chancellor and the Chancellor, an executive director of the component institution development board. He or she is to be charged solely with fund-development activity, and subject to supervision, evaluation, and termination of employment by the president.

5.72 The executive director of the component institution development board shall have such staff and such operating funds as shall be determined from time to time by budgets recommended by the president, endorsed by the appropriate Executive Vice Chancellor and the Chancellor, and adopted by the Board of Regents. Duties of staff members shall be established by the executive director.

5.8 Finances

Financial support of the component institution development board and the executive director shall be provided exclusively by the budget of the institution. Such budgets will be made through established budgetary procedures. The Board of Regents may accept gifts designated for use by the component institution development board and may make such funds available for expenditure by said board.

Sec. 6. Advisory Councils of a Component Institution

6.1 Establishment and Organization

6.11 With the approval of the president of a component institution, the appropriate Executive Vice Chancellor, the Chancellor, and the Board of Regents, any school, college, or other comparable teaching or research unit may have an advisory council dedicated to its own unique interests. Such an advisory council is responsible through the dean or director to the president of the component and through him or her to the component institution development board for all private funds developed for that school, college, or comparable unit. Each advisory council shall determine its development needs and shall direct the formulation of plans and the promotion of support for its programs.

6.12 Membership (*editorially amended 11/03*)

An advisory council shall consist of members recommended by the dean or director of the school, college, or other approved unit and appointed by the president of the component institution with final approval of the membership delegated by the Board of Regents to the Chancellor following consultation with the appropriate Executive Vice Chancellor. Presidents shall, in consultation with the dean or director of the school, college, or other approved unit, adopt guidelines for the appointment and/or reappointment of the members of the component institution's advisory council(s). The guidelines shall make clear each individual's term of office and the expectations and responsibilities of membership. Consideration shall be directed to appropriate balance in advisory council membership, including concerns relating to gender, ethnicity, years of involvement or experience with the college, school, or unit, geographical distribution, and the special needs of the school, college, or unit. Component institutions shall forward accurate rosters of advisory council membership(s) to the Chancellor via the Vice Chancellor for External Relations no later than July 15 of each year. All terms shall officially begin on September 1. Official rosters of advisory council membership shall be maintained in the Office of the Vice Chancellor for External Relations. The president of the component institution shall be an ex officio member of the component institution's advisory councils.

6.13 Officers

An advisory council may elect a Chairman and other such officers as are appropriate from among its membership. The dean or director, and the president of the component institution, or his or her delegate shall be ex officio members with voting privileges.

6.2 Duties and Responsibilities

6.21 An advisory council shall seek to enlist the aid of numerous friends of the school, college, or comparable unit in fund-development efforts, and may establish such committees and other groups as seem desirable in carrying out its programs.

6.22 An advisory council shall recommend through the dean or director or the component institution president to the development board the consideration of current and long-range programs that shall secure private funds for the unit.

6.23 A component institution advisory council shall have responsibility within that school, college or comparable unit:

6.231 For studying and developing private fund needs;

6.232 For coordinating and formulating plans and actively promoting support for both current and long-range programs to meet the developmental needs;

6.233 For periodic reports of progress to the chief administrative officer of the component institution and the development board

- 6.234 on the plans and programs of the advisory council; and For establishing a continuing program of collection and dissemination of information regarding gifts and endowments.
- 6.24 At periodic intervals, the dean or director shall lay before his or her advisory council descriptions of current development needs.
- 6.25 The work of all advisory councils shall be considered a part of the work of component institution development boards.

6.3 Associated Internal Foundations

Under the provisions of Section 7 of this Chapter, an advisory council may, but need not, have an associated internal foundation.

Sec. 7. Internal Foundations

7.1 Definition

As used in this Chapter, the term "internal foundation" means a foundation created by resolution of the Board of Regents of The University of Texas System as set forth in Subdivision 7.31 of this Chapter. The term does not include any entity that is incorporated under the laws of Texas or any other State and does not include any entity created by testamentary or inter vivos trusts. An internal foundation is an accounting and administrative mechanism in the name of which development boards and advisory councils may approach prospective donors. Internal foundations are under the jurisdiction and control of the Board of Regents and are governed by rules, regulations, policies, and procedures promulgated by the Board.

7.2 Policies on Initiation and Operation

- 7.21 An internal foundation may be established to benefit a component institution, or a school, college, or other comparable teaching or research unit within a component institution upon the recommendation of a development board or an advisory council, after approval of the president of the component institution, the appropriate Executive Vice Chancellor, the Chancellor, and the Board of Regents.
- 7.22 Divisions and departments below the level of a school, college, or other comparable teaching or research unit may effectively work as separate groups within the framework of the advisory council and internal foundation which represents a school or college or comparable teaching or research unit. Provisions for the designation of special funds to be used for specific activities within the framework of the various internal foundations and advisory councils will be made in order to avoid stifling the interest and initiative of these groups.
- 7.23 There shall be an annual review of the activities of each internal foundation to determine its effectiveness; and, if it is unproductive for an unreasonable length of time, it shall be dissolved.
- 7.24 Every effort shall be made to permit a free range of initiative within the internal foundations, and their associated development boards and advisory councils, but activities must be in conformity with policies of the Board of Regents so as to permit maximum overall achievements in fund raising throughout the System.
- 7.25 All internal foundation funds shall be appropriately accounted for in University endowment and restricted fund accounts. As in the case of other University funds, authorization for expenditure of all funds in internal foundation accounts is vested in the Board of Regents. Except for those funds to be spent in accordance with the terms of Regental acceptance, authorization for expenditure normally will be obtained during the annual institutional budget approval process.

7.3 Establishment

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

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

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

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

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

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

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

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

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

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

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

7.32 Upon Regental approval of the standard resolution creating an internal foundation, the name of the foundation will be added to the list contained in Section 7.33 of this Chapter. The Counsel and Secretary to the Board of Regents shall prepare a copy of the standard resolution in appropriate form for the Chairman's signature and shall distribute a copy to the appropriate Executive Vice Chancellor, the Chancellor, and to the

president of the component institution involved.

7.33 The following internal foundations are approved:

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

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

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

<u>Foundation</u>	<u>Date Established</u>
Communication Foundation of the School of Communication <sup>3</sup>	1/31/69
Graduate School Foundation	3/26/76
Graduate School of Library Science Foundation	6/20/69
College of Liberal Arts Foundation	7/11/80
College of Natural Sciences Foundation	7/11/80
Nursing Foundation of the School of Nursing	10/9/87
Longhorn Foundation	12/3/87
The University of Texas M. D. Anderson Cancer Center	
University Cancer Foundation	10/15/55



The University of Texas at Arlington Foundation	1/28/67
The University of Texas Medical Branch at Galveston Foundation	5/6/67
The University of Texas at El Paso	
The University of Texas at El Paso Foundation	7/29/67
The University of Texas at El Paso Miner Foundation	2/13/92
The University of Texas at Dallas	
Management School Foundation	2/11/93

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

<u>Foundation</u>	<u>Date Established</u>
The University of Texas - Pan American	
Bronc Foundation	10/7/94
The University of Texas of the Permian Basin	
Falcon Athletic Club Foundation	5/11/95

Sec. 8. Internal Corporations

8.1 Definition

As used in this Chapter, the term "internal corporation" means a nonprofit corporation chartered under the laws of the State of Texas:

- (1) Under the Charter of which, the Board of Regents:
  - (a) Acts as the Board of Directors or has the authority to appoint (or to approve or reject the appointment of) the Board of Directors; and
  - (b) Has the authority to approve amendments to the charter and bylaws; and
- (2) The funds of which are deposited and accounted for in appropriate University accounts.

8.2 Management

An internal corporation is managed pursuant to its charter and bylaws and in accordance with the Regents' Rules and Regulations.

8.3 List of Authorized Internal Corporations

The following internal corporations are presently authorized:

<u>Internal Corporations</u>	<u>Date Chartered</u>
The Aerospace Heritage Foundation, Inc.	9/7/78

The University of Texas System  
Medical Foundation, Inc. 10/5/73

The University of Texas at Austin  
School of Law Continuing Legal  
Education, Inc. 8/17/81

The University of Texas at Austin  
School of Law Publications, Inc. 8/17/81

Sec. 9. External Nonprofit Corporations

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

Sec. 10. Conflict of Interest, Performance of Services, and Use of University Facilities

10.1 External Entities

Unless authorized by the Chancellor, no officer or employee of The University of Texas System or its component institutions shall accept remuneration from or serve as an officer, director, employee, or agent of an external nonprofit corporation or an external entity that has as its primary objective the provision of funds or services for the furtherance of the purposes and duties of the System or its component institutions.

10.2 No Service as Agent for Certain Entities

No officer or employee of The University of Texas System or its component institutions shall act as the agent for any corporation, association, organization, partnership, or individual in the negotiation of the terms or conditions of any agreement relating to the provision of funds, services, or property to the System or its component institutions by such corporation, association, organization, partnership, or individual.

10.3 Utilization of Equipment, Facilities, or Services

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

## **PART TWO, CHAPTER I**

### **INSTITUTIONS AND ENTITIES COMPOSING THE SYSTEM**

Sec. 1. Flags

1.1 Display of Flags

The flag of the United States and the flag of the State of Texas shall be flown at the System and at the component institutions on each regular school day as required by [Texas Education Code Section 1.003](#). The flags shall be raised, lowered, and displayed as required by Title 4 [United States Code](#) Sections 5 through 9 and by the Texas Flag Code, [Texas Government Code, Chapter 3100](#), and may be placed at half-staff only as permitted or required by such statutory provisions.

1.2 Official Flag

The Texas State Flag shall be designated as the official flag of the System, and the official flag of each component institution shall be the Texas State Flag with a streamer with the official name of the component institution in white letters on an orange field, and a special occasion banner, as determined to be appropriate by the component institution president in consultation with the appropriate Executive Vice Chancellor. No component institution shall have or display any other flag as its official flag. Nothing in this Subsection shall be interpreted to prohibit display of other flags in a manner consistent with the Texas Flag Code, [Texas Government Code, Chapter 3100](#).

Sec. 2. Official Seal, Colors, Logo, and Mascot

2.1 Official Seal

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

2.2 Official Colors

The official colors for the System shall be orange and white; provided, however, that a component institution may adopt one additional color to be used in connection with athletic and other activities of the institution when approved by the Board upon recommendation of the president of the component institution, the appropriate Executive Vice Chancellor, and the Chancellor.

2.3 Themes, Logos, and Mascots

Each component institution may adopt a theme, a logo, and a mascot, provided same are approved by the Board via the Docket following recommendation of the president of the component institution, the appropriate Executive Vice Chancellor, and the Chancellor.

Sec. 3. Medical and Hospital Services

With exceptions as outlined below, no health care services shall be provided by any component institution of the System to any person without compensation or reimbursement to the System. In the case of health care facilities operated by the System, which under the law are open to the general public, free or partly free health care services may be rendered to persons who are indigent and who are able to offer proof that they are not financially able to pay either all or any part of their health care expenses. In the case of health care services provided by faculty of a general academic component institution in the conduct of an educational program, persons receiving such services need not be charged for such services.

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

Sec. 4. Institutions and Entities Composing the System

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

	<u>Full Title</u>	<u>Short Title</u>
4.1	The University of Texas System Board of Regents	U. T. Board of Regents
4.2	The University of Texas System Administration	U. T. System Administration
4.21	The University of Texas System Bauer House	U. T. Bauer House
4.3	The University of Texas at Arlington	U. T. Arlington
4.31	The University of Texas at Arlington School of Architecture	
4.32	The University of Texas at Arlington College of Business Administration	
4.33	The University of Texas at Arlington School of Education	
4.34	The University of Texas at Arlington College of Engineering	
4.35	The University of Texas at Arlington Graduate School	
4.36	The University of Texas at Arlington Honors College	
4.37	The University of Texas at Arlington College of Liberal Arts	
4.38	The University of Texas at Arlington School of Nursing	
4.39	The University of Texas at Arlington College of Science	
4.3(10)	The University of Texas at Arlington School of Social Work	
4.3(11)	The University of Texas at Arlington School of Urban and Public Affairs	
4.4	The University of Texas at Austin	U. T. Austin

- 4.41 The University of Texas at Austin  
School of Architecture
- 4.42 The University of Texas at Austin  
Red McCombs School of Business
- 4.43 The University of Texas at Austin  
College of Communication
- 4.44 The University of Texas at Austin  
College of Education
- 4.45 The University of Texas at Austin  
College of Engineering
- 4.46 The University of Texas at Austin  
College of Fine Arts
- 4.47 The University of Texas at Austin  
Graduate School
- 4.48 The University of Texas at Austin  
School of Law
- 4.49 The University of Texas at Austin  
College of Liberal Arts
- 4.4(10) The University of Texas at Austin  
Graduate School of Library and  
Information Science
- 4.4(11) The University of Texas at Austin  
McDonald Observatory at Mount Locke U. T. Austin McDonald  
Observatory
- 4.4(12) The University of Texas at Austin  
Marine Science Institute U. T. Austin Marine Science  
Institute
- 4.4(13) The University of Texas at Austin  
College of Natural Sciences
- 4.4(14) The University of Texas at Austin  
School of Nursing
- 4.4(15) The University of Texas at Austin  
College of Pharmacy
- 4.4(16) The University of Texas at Austin  
Lyndon B. Johnson School of Public  
Affairs
- 4.4(17) The University of Texas at Austin  
School of Social Work
  
- 4.5 The University of Texas at Brownsville U. T. Brownsville
  - 4.51 The University of Texas at Brownsville  
School of Business
  - 4.52 The University of Texas at Brownsville  
Division of Continuing Education
  - 4.53 The University of Texas at Brownsville  
School of Education
  - 4.54 The University of Texas at Brownsville  
School of Health Sciences
  - 4.55 The University of Texas at Brownsville  
College of Liberal Arts
  - 4.56 The University of Texas at Brownsville  
College of Science, Mathematics and  
Technology
  
- 4.6 The University of Texas at Dallas U. T. Dallas
  - 4.61 The University of Texas at Dallas  
School of Arts and Humanities

- 4.62 The University of Texas at Dallas  
Callier Center for Communication Disorders
- 4.63 The University of Texas at Dallas  
Erik Jonsson School of Engineering and Computer Science
- 4.64 The University of Texas at Dallas  
School of General Studies
- 4.65 The University of Texas at Dallas  
School of Human Development
- 4.66 The University of Texas at Dallas  
School of Management
- 4.67 The University of Texas at Dallas  
School of Natural Sciences and Mathematics
- 4.68 The University of Texas at Dallas  
School of Social Sciences
  
- 4.7 The University of Texas at El Paso U. T. El Paso
  - 4.71 The University of Texas at El Paso  
College of Business Administration
  - 4.72 The University of Texas at El Paso  
College of Education
  - 4.73 The University of Texas at El Paso  
College of Engineering
  - 4.74 The University of Texas at El Paso  
Graduate School
  - 4.75 The University of Texas at El Paso  
College of Health Sciences
  - 4.76 The University of Texas at El Paso  
College of Liberal Arts
  - 4.77 The University of Texas at El Paso  
College of Science
  
- 4.8 The University of Texas - Pan American U. T. Pan American
  - 4.81 The University of Texas - Pan American  
College of Arts and Humanities
  - 4.82 The University of Texas - Pan American  
College of Business Administration
  - 4.83 The University of Texas - Pan American  
College of Education
  - 4.84 The University of Texas - Pan American  
College of Health Sciences and Human Services
  - 4.85 The University of Texas - Pan American  
College of Science and Engineering
  - 4.86 The University of Texas - Pan American  
College of Social and Behavioral Sciences
  
- 4.9 The University of Texas of the Permian Basin U. T. Permian Basin
  - 4.91 The University of Texas of the Permian  
Basin College of Arts and Sciences
  - 4.92 The University of Texas of the Permian  
Basin School of Business
  - 4.93 The University of Texas of the Permian

Basin School of Education

4.(10)	The University of Texas at San Antonio	U. T. San Antonio
4.(10)1	The University of Texas at San Antonio College of Business	
4.(10)2	The University of Texas at San Antonio College of Education and Human Development	
4.(10)3	The University of Texas at San Antonio College of Engineering	
4.(10)4	The University of Texas at San Antonio College of Liberal and Fine Arts	
4.(10)5	The University of Texas at San Antonio College of Public Policy	
4.(10)6	The University of Texas at San Antonio College of Sciences	
4.(10)7	The University of Texas Institute of Texan Cultures at San Antonio	U. T. Institute of Texan Cultures - San Antonio
4.(10)8	The University of Texas at San Antonio Downtown Campus	U. T. San Antonio Downtown Campus
4.(11)	The University of Texas at Tyler	U. T. Tyler
4.(11)1	The University of Texas at Tyler College of Business Administration	
4.(11)2	The University of Texas at Tyler College of Education and Psychology	
4.(11)3	The University of Texas at Tyler College of Engineering	
4.(11)4	The University of Texas at Tyler College of Liberal Arts	
4.(11)5	The University of Texas at Tyler College of Nursing	
4.(11)6	The University of Texas at Tyler College of Sciences and Mathematics	
4.(12)	The University of Texas Southwestern Medical Center at Dallas	U. T. Southwestern Medical Center - Dallas
4.(12)1	The University of Texas Southwestern Allied Health Sciences School at Dallas	U. T. Southwestern A.H.S.S. - Dallas
4.(12)2	The University of Texas Southwestern Graduate School of Biomedical Sciences at Dallas	U. T. Southwestern G.S.B.S. - Dallas
4.(12)3	The University of Texas Southwestern Medical School at Dallas	U. T. Southwestern Medical School - Dallas
4.(13)	The University of Texas Medical Branch at Galveston	U. T. Medical Branch - Galveston
4.(13)1	The University of Texas School of Allied Health Sciences at Galveston	U. T. Allied Health Sciences School - Galveston
4.(13)2	The University of Texas Graduate School of Biomedical Sciences at Galveston	U. T. G.S.B.S. - Galveston
4.(13)3	The University of Texas Hospitals at Galveston	U. T. Hospitals - Galveston
4.(13)4	The University of Texas School of	U. T. Nursing School -

	Nursing at Galveston	Galveston
4.(13)5	The University of Texas Medical School at Galveston	U. T. Medical School - Galveston
4.(13)6	The University of Texas Marine Biomedical Institute at Galveston	U. T. Marine Biomedical Institute - Galveston
4.(13)7	The University of Texas Institute for the Medical Humanities at Galveston	U. T. Medical Humanities Institute - Galveston
4.(14)	The University of Texas Health Science Center at Houston	U. T. Health Science Center - Houston
4.(14)1	The University of Texas Dental Branch at Houston	U. T. Dental Branch - Houston
4.(14)2	The University of Texas Graduate School of Biomedical Sciences at Houston	U. T. G.S.B.S. Houston
4.(14)3	The University of Texas School of Health Information Sciences at Houston	U. T. Health Information Sciences School - Houston
4.(14)4	The University of Texas Medical School at Houston	U. T. Medical School - Houston
4.(14)5	The University of Texas School of Nursing at Houston	U. T. Nursing School - Houston
4.(14)6	The University of Texas School of Public Health at Houston	U. T. Public Health School – Houston
4.(15)	The University of Texas Health Science Center at San Antonio	U. T. Health Science Center - San Antonio
4.(15)1	The University of Texas School of Allied Health Sciences at San Antonio	U. T. Allied Health Sciences School - San Antonio
4.(15)2	The University of Texas Graduate School of Biomedical Sciences at San Antonio	U. T. G.S.B.S. - San Antonio
4.(15)3	The University of Texas Dental School at San Antonio	U. T. Dental School - San Antonio
4.(15)4	The University of Texas Medical School at San Antonio	U. T. Medical School - San Antonio
4.(15)5	The University of Texas School of Nursing at San Antonio	U. T. Nursing School - San Antonio
4.(16)	The University of Texas M. D. Anderson Cancer Center	U. T. M. D. Anderson Cancer Center
4.(16)1	The University of Texas M. D. Anderson Hospital	U. T. M. D. Anderson Hospital
4.(16)2	The University of Texas M. D. Anderson Science Park	U. T. M. D. Anderson Science Park
4.(16)3	The University of Texas M. D. Anderson Tumor Institute	U. T. M. D. Anderson Tumor Institute
4.(16)4	The University of Texas M. D. Anderson School of Health Sciences	
4.(17)	The University of Texas Health Center at Tyler	U. T. Health Center - Tyler

Sec. 5. Charter School Operations

Upon a finding by the Chancellor and the Executive Vice Chancellor for Academic Affairs that a proposed application for a charter to operate an open-enrollment charter school as authorized by [Texas Education Code Section 12.101](#) meets requirements of State law and



further the institutional mission, an institution may apply to the State Board of Education to operate a charter school. Charter school operations will adhere to all applicable provisions of State law including the [Texas Public Information Act](#).

The oversight and supervision of the charter school is delegated to the institutional president, with a report to the Board each year, detailing activities and performance of the charter school.

An advisory council shall be appointed by the president to advise him or her on operation of the charter school. The advisory council will comply with all provisions of the [Texas Open Meetings Act](#) applicable to the Board of Regents.

## **PART TWO, CHAPTER II**

### **ACCOUNTING, AUDITING, REPORTING, AND BUDGETARY CONTROL**

#### Sec. 1. Types of Funds

##### 1.1 Current Funds

###### 1.11 General

General Funds are those unrestricted operating funds that are available for any purpose. Such funds are expended in accordance with the budgets and appropriations approved by the Board. General Funds balances shall not be reappropriated from one fiscal year to another unless specific approval is given by the appropriate Executive Vice Chancellor, the Chancellor, and the Board.

###### 1.12 Auxiliary Enterprises

Auxiliary Enterprises Funds are those funds set aside for operating entities which exist to furnish specified services to students, faculty, or staff, and which charge fees that are directly related to the cost of the service.

###### 1.13 Designated

Designated Current Funds are those funds designated for special activities by the System. The income and expenditures are ordinarily related to a particular department. Expenditures follow the same programs as are found in the General and Restricted Current Funds. Such funds are subject to the same budgetary restrictions as General Funds although balances are automatically reappropriated at the end of each fiscal year.

###### 1.14 Restricted

Restricted Current Funds are those received from federal and local governments, State agencies, individuals, foundations, corporations, etc., or income derived from endowments, to be used only for a particular purpose or project, specified by the donor, such as research, conferences, scholarships, fellowships, etc. The period of use is usually designated in the agreement approved by the Board. The accounting for the funds will be on the accrual basis. Unless otherwise specified, balances are automatically reappropriated at the end of each fiscal year.

##### 1.2 Loan Funds

Those funds that have been set aside for loans to be granted to students, faculty, or staff, including interest earned thereon.

1.3 Endowment and Similar Funds *(editorially amended 11/03)*

1.31 Endowment Funds

Those funds that donors have stipulated, as a condition of gift, that the principal is to be maintained inviolate in perpetuity, or in the case of "term" endowments to be maintained inviolate for a specified term. All endowment funds are administered by the Office of External Relations of System Administration as provided in Part Two, Chapter IX of these Rules and Regulations.

1.32 Quasi-endowment Funds

Funds functioning as endowment as a result of determination by the Board that they are to be retained and invested. All quasi-endowment funds are administered by the Office of External Relations of System Administration as provided in Part Two, Chapter IX of these Rules and Regulations.

1.4 Charitable Remainder Trusts and Pooled Income Funds *(editorially amended 11/03)*

Gift funds given to the Board of Regents of The University of Texas System, as Trustee, such as Charitable Remainder Trusts and Pooled Income Funds in which the donor has reserved an income interest either for the life of one or more individuals or for a term of years shall be administered by the Office of External Relations.

1.5 Plant Funds

1.51 Unexpended Plant Funds

Funds specified by the Board or by external sources for the acquisition, construction, renewal and replacement or improvement of physical properties to be used for institutional purposes. A regular source for such funds may be the portion of indirect cost allowances represented by use charges on buildings, other improvements, and equipment allocated to sponsored programs.

1.52 Retirement of Indebtedness Funds

Funds specified by the Board or by external sources to be set aside to meet debt service charges and the retirement of indebtedness on institutional plant assets.

1.53 Investment in Plant Funds

Funds invested in physical properties to be used for institutional purposes.

1.6 Agency Funds

Those funds received and held by the System as custodian or fiscal agent for others. Agency funds shall be expended in accordance with the limitations of the agency agreement.

Sec. 2. Accounting

2.1 Financial Records

The financial records of the System shall be kept as nearly as practicable in accordance with generally accepted accounting principles, the financial reporting requirements of the Texas Comptroller of Public Accounts, and the most recent supplements published by the National Association of College and University Business Officers.

2.2 Required Approval *(editorially amended 9/03 and 9/04)*

All accounting records and procedures shall be subject to the approval of the chief business officer and the Executive Vice Chancellor for Business Affairs or his or her delegate.

2.3 Accounting Control

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

2.4 Account of Funds and Property

Each person directly responsible for a department or other administrative unit (hereinafter called "department head") shall keep an account of funds and property for which he or she is responsible, as detailed as necessary to supplement the business office records.

2.5 Expenditures

All expenditures must be in accordance with the approved institutional operating budget.

2.6 Statement of Accounts

Statements of department or other administrative unit accounts shall be prepared monthly by the business office and shall be sent periodically to the department heads who will compare their records with those of the business office and report any differences promptly to the business office.

2.7 Signature Authority

A person in each department or other administrative unit may be designated by the department head, with the approval of the chief business officer, to sign vouchers, requisitions, etc., in the absence of the department head. These designations shall expire upon receipt of notification by the accounting office in writing from the department head or upon termination or transfer of the designee from the department.

Sec. 3. Auditing

3.1 Duties and Responsibilities of Internal Auditors

Internal auditors are responsible for reviewing, evaluating, and reporting on the institution's system of internal administrative and accounting controls and the efficiency and effectiveness of the operations when compared with established standards. The internal auditors are to have no authority or responsibility for the activities they audit. The objective of internal auditing is to assist the component institution president in the effective discharge of his or her responsibilities by furnishing objective analyses, appraisals, and recommendations concerning the activities reviewed. To accomplish these objectives, the internal auditor is authorized to have full, free, and unrestricted access to all property, personnel, and records. The examination of patient medical records must serve a genuine audit need; and individual patients should not be identified in any audit report. The Texas Internal Auditing Act, the Standards for the Professional Practice of Internal Auditing published by the Institute of Internal Auditors, Inc. and "College and University Business Administration" published by the National Association of College and University Business Officers shall serve as guidelines for internal audit activities.

3.2 Institutional Audit Staff

Each institution is expected to maintain an internal audit staff unless otherwise exempt from this requirement by the Chancellor. The institutional internal auditor reports to the institutional president or the institutional audit committee. The institutional internal auditor submits an annual audit plan for approval by the president and forwards a copy to the appropriate Executive Vice Chancellor and the System Director of Audits.

3.3 System-Wide Audit Plan

The System Director of Audits shall seek input into the System-wide audit plan from the institutional internal auditors. The implementation of the System-wide internal audit plan will be coordinated with the institutional internal audit plans to insure major risks are addressed yet duplication of effort is minimized.

3.4 State Auditor's Office

The State Auditor's Office, as part of the legislative branch of State government, is the external independent auditor of The University of Texas System. The State Auditor's Office conducts financial and performance audits and makes recommendations for improving financial and management controls within The University of Texas System. The State Auditor's Office reviews The University of Texas System's internal control structure and operations to determine the scope of the examination and reliability of the entity's financial and nonfinancial data. The internal audit function is considered a part of the internal control structure of The University of Texas System.

Sec. 4. Reporting

4.1 Preparation of Reports

All financial reports shall be prepared in accordance with generally accepted accounting principles referred to in Subsection 2.1 of this Chapter. The reports shall be prepared by the chief business officer and approved by the Assistant Vice Chancellor and Controller.

4.2 Annual Financial Report

The Annual Financial Report shall be prepared under the direction of the chief business officer and the Assistant Vice Chancellor and Controller. Published financial reports shall be filed with certain State agencies as required by law.

4.3 Interim Financial Reports

Interim financial reports, in the form prescribed by the Assistant Vice Chancellor and Controller, shall be prepared by each institutional chief business officer and distributed to the institutional president and various System Administration Executive Officers. Copies of such interim reports shall be furnished quarterly to the Board.

Sec. 5. Operating Budgets

5.1 Annual Approval (editorially amended 9/03 and 9/04)

Operating Budgets for all the component institutions shall be approved annually by the Board within the budget estimates of income prepared by the chief business officer and the president of a component institution and approved by the Executive Vice Chancellor for Health Affairs, the Executive Vice Chancellor for Academic Affairs, the Executive Vice Chancellor for Business Affairs, and the Chancellor.

5.2 Budget Policies and Instructions

General policies for the budget preparation shall be recommended by the Chancellor to the Board and shall be followed in preparing the budgets. Instructions for details of budget preparation shall be furnished to the component institution presidents by System Administration.

5.3 Process of Review and Recommendation

The institutional president 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 president. The budget as finally recommended by the president shall be forwarded to the appropriate Executive Vice Chancellor and the Chancellor for further review and recommendation to the Board.

5.4 Rules and Procedures for Budget Administration (*editorially amended 9/03 and 9/04*)

Rules and procedures for budget administration shall be prepared by the Chancellor, with assistance of the Executive Vice Chancellor for Health Affairs, the Executive Vice Chancellor for Academic Affairs, and the Executive Vice Chancellor for Business Affairs, approved by the Board, and shall be included in the completed budgets.

5.5 Access to Copies of Budget

A copy of each budget, and any subsequent amendment thereto, shall be filed by the U. T. System Budget Office with the Legislative Reference Library to be available for public inspection, and also with such other State offices as required by law.

Sec. 6. Legislative Appropriation Requests

6.1 Preparation

Legislative appropriation requests, biennial or otherwise, shall be prepared in conformity with the Detailed Instructions for Agencies of Higher Education as prescribed by the Legislative Budget Board and the Governor's Office of Budget and Planning.

6.2 Approval (*editorially amended 9/03 and 9/04*)

Appropriation requests for all component institutions shall be prepared by the president in conformity with these instructions and approved by the Executive Vice Chancellor for Health Affairs, the Executive Vice Chancellor for Academic Affairs, the Executive Vice Chancellor for Business Affairs, and the Chancellor.

6.3 Submission of Requests

Appropriation requests shall be submitted to the Legislative Budget Board, to the Governor's Budget and Planning Office, and to other State offices as required in the form and at the time prescribed.

Sec. 7. Fiscal Year

The fiscal year of the System shall be September 1 through August 31.

**PART TWO, CHAPTER III**

**RECEIPT, CUSTODY, AND DISBURSEMENT OF MONEYS; TRAVEL**

## AU. T.HORIZATION, REIMBURSEMENT, AND INSTITU. T.IONAL REGULATIONS

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

#### 1.1 Receipt of Funds

No department, division, or individual staff member is authorized to receive money in the name of a component institution of the System unless authorized by the chief business officer and president.

#### 1.2 Receipt Forms

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 Internal Control

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

#### 1.4 Electronic Funds Transfer for Certain Oil and Gas Royalty Payments

Any person who paid oil and gas royalties to the Board in a total amount of \$20,000 or more during a fiscal year, being September 1 to August 31, shall make timely oil and gas royalty payments to the Board by means of electronic funds transfer during the subsequent calendar year. Any person required to pay electronically shall timely take all actions necessary to facilitate payment of oil and gas royalties by electronic funds transfer, including completing any documents required by the Comptroller of the State of Texas and the University Lands Accounting Office. Electronic funds transfers shall be made in accordance with applicable laws, including [Texas Government Code Section 404.095](#). This Subsection applies only to oil and gas royalties from Permanent University Fund lands to the extent authorized by [Texas Government Code Section 404.095](#). Reports relating to oil and gas royalty payments shall also be filed electronically as described in Subdivisions 1.41-1.43 of this Chapter.

1.41 Any person required to submit payments electronically shall also timely file the required Oil and Condensate Report (Form U. T.-1), Gas Report (Form U. T.-2), and Royalty Payment Summary (Form U. T.-3) by means of electronic transmission in a manner compatible with the requirements, equipment, and facilities of the University Lands Accounting Office.

1.42 Any lessee, operator, or reporting company who was required to file monthly an average of 10 or more oil or gas royalty reports to the Board during the last fiscal year, shall timely file the required Forms U. T.-1, U. T.-2, and U. T.-3 by means of electronic transmission during the subsequent calendar year in a manner compatible with the requirements, equipment, and facilities of the University Lands Accounting Office.

1.43 Any person, lessee, operator, or reporting company required to file reports electronically under Subdivisions 1.41 and 1.42 of this Chapter, shall timely take all actions necessary to facilitate the electronic filing of the Forms U. T.-1, U. T.-2, and U. T.-3, including completing any documents required by the University Lands Accounting Office. Electronic transmission of U. T.-1s, U. T.-2s, and U. T.-3s in a form and manner compatible with the requirements, equipment, and facilities of the University Lands Accounting Office shall satisfy [Texas Education Code Section 66.77\(d\)](#). Any person, lessee, operator, or reporting company who electronically submits these reports shall not be routinely required to submit purchase statements or other records to the Board unless

requested by the University Lands Accounting Office. Nothing in Subsection 1.4 of this Chapter shall limit the authority to inspect, examine, copy, or audit all records, books, and accounts, including purchase statements, as provided by applicable law and rules of the Board for Lease of University Lands.

1.5 Tickets and Ticket Reports

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

1.6 Report of Unpaid Charges

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

Money received by all departments from all sources shall be deposited, using an official form, in the institutional business office, unless depositing directly to a special bank account has been specifically authorized by the institutional chief financial officer or his or her delegate. The deposits shall be daily if the receipts are \$200 or more, and weekly even if the accumulation is less than \$200. Except for mail deposits authorized under Subdivisions 2.11 and 2.12 of this Chapter, the deposit shall be made in person by a departmental representative to whom an official receipt is issued.

2.11 Mail deposits by on-campus departments are authorized if the amount of each deposit is less than \$100 and does not contain cash (currency).

2.12 Mail deposits by off-campus activities are authorized if such deposit does not contain cash (currency).

2.2 Record of Mailed Deposits

Departments or activities mailing deposits shall maintain adequate record of such deposits, including detailed description of negotiable instruments.

2.3 Report of Cash Discrepancies

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

2.4 Petty Cash Funds

Petty cash funds shall be provided only on approval of, and by arrangement of, the department with the chief business officer.

Sec. 3. Deposits with the State Treasurer

3.1 Required Deposits

The statutes and the current Appropriations Act require that all cash receipts accruing to component institutions be deposited in the State Treasury, with the exception of those funds named in [Texas Education Code Section 51.008](#), including those funds from auxiliary enterprises, noninstructional services, agency, designated and restricted funds, endowment funds, trust funds, other gift funds, student loan funds, funds retained under [Texas Education Code Chapter 145](#), and Constitutional College Building Amendment Funds.

3.2 Cash Receipts

Cash receipts that are required to be deposited in the State Treasury shall be so deposited in the manner prescribed in the statutes and the current Appropriations Act.

3.3 Revolving Funds

Component institutions of the System are authorized by the current Appropriations Act to establish Revolving Funds under certain prescribed procedures to facilitate the payment of nominal expenses and to pay bills within cash discount periods, as well as for regular monthly payrolls, weekly, and special payrolls.

Sec. 4. Institutional Funds

4.1 Deposit in Official Depository Banks or Investment (*editorially amended 9/03 and 9/04*)

All institutional funds not required to be deposited in the State Treasury must be deposited in official depository banks for safekeeping or invested as specified by law and by the applicable [Rules and Regulations](#), Business Procedure Memoranda, and Investment Policy Statements.

4.11 Funds held in demand deposits, time deposits, or nonnegotiable certificates of deposit shall be deposited or invested only in banks with which the Board has a depository agreement. The Board delegates to UTIMCO or the Executive Vice Chancellor for Business Affairs authority to execute and deliver depository and custody agreements when such deposit agreements are with banks meeting the then current policies of the Board and are in substantially the form of a standard deposit agreement approved by the Board or, for other agreements, in a form approved by the Office of General Counsel. Subject to the provisions of Part One, Chapter I, Section 9 of these [Rules and Regulations](#), the Board delegates to the president of the component institution or the Executive Vice Chancellor for Business Affairs the authority to execute and deliver contracts for banking services with banks that have a depository agreement with the Board.

4.12 Requests for documentation specifying staff authorized to sign checks or initiate funds movements, or changes thereto, for all bank accounts, bank common trust funds, or money market funds shall be approved by each institutional president and chief business officer.

4.13 Institutional funds shall be invested in funds approved by UTIMCO based on, at a minimum, the criteria specified in The University of Texas System Investment Policy Statements. UTIMCO shall administer pooled



investment funds for the investment of institutional funds as authorized by the Board. The chief business officer of any component institution may add or withdraw local institutional funds of the component institution to or from (i) demand deposits, time deposits, or nonnegotiable certificates of deposit as set forth in Subdivision 4.11 of this Chapter, (ii) any common trust fund or money market fund approved by UTIMCO, or (iii) any investment pool administered by UTIMCO for the investment of such funds on any established addition or withdrawal date of the pool.

4.2 Requirement for Depository Banks (*editorially amended 9/03 and 9/04*)

Depository banks selected shall furnish adequate surety bonds or securities to assure safety of these funds. Such securities shall be delivered by the depository bank to an account in the name of the Board at a third-party depository(ies), bank(s), or trust company(ies) approved and contracted with by the Executive Vice Chancellor for Business Affairs. Institutional Funds shall be deposited in the depository banks or invested as soon as possible but in no event later than that provided by law. Demand deposits and time deposits will be maintained in accordance with the current policies of the Board.

4.3 Certain Borrowing Prohibited

The Board, the Chancellor, and the institutional presidents may not, by law, borrow money from any person, firm, or corporation to be repaid from institutional Funds except as specifically authorized by the Legislature.

4.4 Interest on Deposits and Investments

As permitted by statute, interest received on local institutional funds shall be credited to appropriate accounts in either general funds or trust funds in relationship to the sources of balances, provided that disposition of such earning was not specified by the grantor. Interest received from Current Restricted Funds (Trust Funds) deposits and investments shall be subject to further appropriation or transfer by the Board for any lawful purpose.

4.5 Delegation of Approval of Certain Loans

Subject to Subdivisions 4.51 and 4.52 of this Chapter and the general provisions of Part One, Chapter I, Section 9 and, except as otherwise specified in these Rules and Regulations, the Board delegates to the Chancellor and to the Executive Vice Chancellor for Health Affairs the authority to act on behalf of the Board to approve loans of institutional funds, which are not otherwise restricted, to a certified nonprofit health corporation and to execute contracts, agreements, and other documents or instruments related to such loans. As used in this Subsection, the term "certified nonprofit health corporation" means a nonprofit health corporation that has been authorized by the Board of Regents and certified by the Board of Medical Examiners under [Chapter 162.001](#) of the Texas Occupations Code [formerly Section 5.01(a) of the Medical Practice Act].

4.51 The delegate shall comply with guidelines issued by the Office of General Counsel.

4.52 The delegate shall consult with the institutional president prior to approving and executing any agreement or instrument relating to a loan.

Sec. 5. Vouchers for Expenditures

5.1 Use and Approval of Vouchers

Properly approved and fully supported vouchers are the authorization for cash disbursements. The Chairman of the Board or his or her delegate or the Chancellor or president of a component institution or his or her delegate must

approve all vouchers. One of these delegates shall be the chief business officer who shall select the other delegates from his or her staff. Such approval is based upon satisfactory supporting documentation evidencing that goods or services were properly ordered, that the vendor has submitted invoice and certification, and that the goods or services have been received by the institution and are acceptable to the requisitioning department.

#### 5.2 Internal Accounting Controls

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

5.21 To the extent that centralized receiving facilities are available, delivery of all purchased supplies, materials, and equipment should be received at a centralized location under the direction of the chief business officer.

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

#### 5.3 Coding of Vouchers

Vouchers are to be coded in the business offices within the approved expenditure codes, and if payable by warrant drawn by the State Treasurer, with the proper expenditure classifications furnished by the State Comptroller, as well as complying with other current requirements of the State Comptroller and Texas laws and regulations.

### Sec. 6. Cash Discounts

The accounting procedures should be designed to assure realization of advantageous cash discounts allowed by vendors.

### Sec. 7. Outstanding Checks

Outstanding checks shall be carried on the official accounting records for one year from the end of the month of issuance.

### Sec. 8. Institutional Membership Dues

Educational and General Funds of the System may be used to pay membership fees only in educational, scientific, or other associations in which the System, or a component institution thereof, is an institutional member, with memberships approved by the presidents. Such other approvals as may be required by law shall also be secured.

### Sec. 9. Payrolls

#### 9.1 Types of Payrolls

There are three general types of payrolls, those for (1) regular monthly salaried employees; (2) weekly salaried employees; and (3) hourly salaried employees.

#### 9.2 Preparation and Verification

All payrolls shall be prepared or verified in the business office from regular budgets, appointment documents, authorizations, time cards, or other documentation, and approved by the chief business officer or a person designated by him or her.

#### 9.3 Proportional Salary

If payment for regular salaried employees is for less than a month, the salary calculated shall be figured proportionately on the basis of the actual number of working hours in such month.

9.4 Deduction Required

Deductions for income tax, retirement, social security, and programs authorized by the Board, such as group insurance, are made where applicable on all payrolls.

9.5 Distribution Dates for Checks

Dates for distribution of salary checks vary at the component institutions and will be announced by the respective business offices.

Sec. 10. Travel Authorization, Reimbursement, and Institutional Regulations

10.1 Authorization for Travel

Authorization for travel from the city or town where the officer or employee is regularly stationed will be granted by the Board or as hereinafter delegated by the Board as follows:

10.11 Requests for authorization for foreign travel or other travel outside Texas shall be transmitted through proper administrative channels to the Chancellor or the president of the component institution, as applicable, or to the respective officer's designee for advance written approval. The Chancellor or the president of the component institution, as applicable, may implement requirements for approval of travel within Texas at his or her discretion.

10.12 Foreign travel means travel to, in, or from a destination that is neither in the United States, nor a possession of the United States, Mexico, or Canada.

10.2 Travel Expense Reimbursements (*editorially amended 9/03 and 9/04*)

10.21 Travel expenses shall be reimbursed only from funds appropriated or authorized for travel and pursuant to State law and regulations and approved institutional or System travel policies and procedures. The Chancellor, the Executive Vice Chancellors, the Vice Chancellors, and the presidents of the component institutions shall plan the travel of all employees under their authority to achieve maximum economy and efficiency and are responsible for ensuring that the expenses of transportation, meals, lodging, and incidental items are the lowest possible considering all relevant circumstances.

10.22 Allowances for meals and lodging (including per diem), transportation and related expenses shall be guided by the following as appropriate: provisions of the current Appropriations Act; the Travel Regulations Act (Texas Government Code Section 660.061 et seq.), as amended; business procedure memoranda issued by the Executive Vice Chancellor for Business Affairs; approved institutional or System travel regulations; terms of grants and contracts which provide reimbursement; and restrictions placed on expenditures from the institutional source reimbursing the travel.

10.3 Institutional and System Administration Travel Regulations

Component institutions and System Administration shall issue travel regulations covering authorization for travel and reimbursement for approved travel to implement applicable provisions of State law and regulations and the provisions of this Section for the guidance of all personnel concerned. Following administrative approval by the appropriate Executive Vice Chancellor, each institutional policy will be included in the institutional Handbook of Operating Procedures.

Sec. 11. Insurance on Money and Securities: Fidelity Bonds (*editorially amended 9/03 and 9/04*)

11.1 Insurance on Money and Securities

- 11.11 The System carries a blanket System-wide crime insurance policy insuring against loss of money or securities, including loss caused by employee dishonesty, at any of the component institutions. The terms of the policy shall be negotiated by the U. T. System Administration Director of Risk Management. The purchase or renewal of the policy shall be approved by the Executive Vice Chancellor for Business Affairs if the premium is in excess of \$100,000.
- 11.12 At the time any loss occurs at any institution, the U. T. System Administration Director of Risk Management shall be notified by the appropriate chief business officer. The U. T. System Administration Director of Risk Management shall approve all loss claims and settlements up to \$50,000. Any settlement over \$50,000 and up to \$500,000 shall be approved by the Executive Vice Chancellor for Business Affairs. Notification of the settlement will be given to the Board at the discretion of the Executive Vice Chancellor for Business Affairs. Settlements over \$500,000 and up to \$1 million shall be approved by the Executive Vice Chancellor for Business Affairs and shall be reported to the Board for ratification. Settlements in excess of \$1 million must have the approval of the Board.
- 11.13 If a loss is so extensive that partial payments in excess of \$1 million are necessary, the Chancellor is delegated authority to execute all documents related to the partial payment or adjustment. The Board will be notified by the Chancellor of all partial payments received in excess of \$500,000. Final settlement of claims in excess of \$1 million will require approval by the Board.

11.2 Fidelity Bonds (*editorially amended 9/04*)

- 11.21 If the System discontinues its employee dishonesty insurance coverage, the System may purchase, in accordance with all applicable State laws, a blanket position (fidelity) bond covering employees of all component institutions.
- 11.22 The premium for the bond shall be prorated to the component institutions on the basis of the number of employees covered for which a premium charge is made and the excess coverage thereon.
- 11.23 At the time a loss occurs at any institution, the U. T. System Administration Director of Risk Management shall be notified by the appropriate chief business officer. The U. T. System Administration Director of Risk Management shall approve all loss claims and settlements up to \$50,000. Any settlement over \$50,000 and up to \$500,000 shall be approved by the Executive Vice Chancellor for Business Affairs. Notification of the settlement will be given to the Board at the discretion of the Executive Vice Chancellor for Business Affairs. Settlements over \$500,000 and up to \$1 million shall be approved by the Executive Vice Chancellor for Business Affairs and shall be reported to the Board for ratification. Settlements in excess of \$1 million must have the approval of the Board.
- 11.24 If a loss is so extensive that partial payments in excess of \$1 million are necessary, the Chancellor is delegated authority to execute all documents related to the partial payment or adjustment. The Board will be notified by the Chancellor of all partial payments received in excess of \$500,000. Final settlement of claims in excess of \$1 million will require approval of the Board.

## PART TWO, CHAPTER IV

### PURCHASING

#### Sec. 1. Purchasing Ethics

##### 1.1 Objectives and Policies

First consideration shall be given to the objectives and policies of the System and its component institutions.

##### 1.2 Ultimate Value

Every effort shall be made to obtain the best value for each dollar of expenditure.

##### 1.3 Honesty Demanded

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.

##### 1.4 No Personal Gifts or Gratuities

Procurement officers, 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.

##### 1.5 Competition Required Unless Otherwise Authorized

All purchases, regardless of the source of funds, shall be made using the method that provides the best value to the component institution or the System and in accordance with (a) the requirements of [Texas Education Code Sections 51.9335, 73.115, or 74.008](#), as applicable, unless otherwise authorized by law, System policy, or approved component institution policy, and (b) the component's institutional Handbook of Operating Procedures.

##### 1.6 No Special Consideration

No bidder or proposer shall receive special consideration.

##### 1.7 Violations to be Reported (*editorially amended 9/03 and 9/04*)

Any violations of these purchasing ethics shall be reported promptly by the chief business officer to the Executive Vice Chancellor for Business Affairs.

#### Sec. 2. Contacts with State Agencies and Vendors

All contacts, whether oral or written, with State agencies and with vendors regarding procurement activities are handled through the Office of General Counsel or the primary procurement officers and the divisions, departments, or offices to whom the purchasing function has been specifically delegated, unless advance written authorization is obtained from the primary procurement officer or the chief business officer for other persons to do so.

#### Sec. 3. Purchasing Procedures

##### 3.1 Procedures

The primary procurement officer of each component institution shall promulgate procedures to facilitate and expedite the purchasing function. Such procedures shall be developed in accordance with sound business practices and applicable State law. Purchasing procedures shall be implemented only after appropriate

review and approval for inclusion in the institutional Handbook of Operating Procedures, including review and approval of the chief business officer.

3.2 Use of Closed Specifications

Closed 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. 4. Purchase from or Sale to an Officer or Employee

Purchase from, or sale to, any officer or employee of the System or a component institution of any supplies, materials, services, equipment, or property must have the prior approval of the component president and the appropriate Executive Vice Chancellor or the Chancellor. Any such purchases shall be made only if the cost is less than from any other known source. This Section does not apply to sales or purchases made at public auction or sales approved by the institutional president valued at \$5,000 or less.

Sec. 5. Purchaser Training and Certification

5.1 Requirements of Purchaser Training and Certification Plan (*editorially amended 9/03 and 9/04*)

Each component institution and System Administration shall establish a purchaser training and certification plan that:

- 5.11 Requires all personnel who procure goods or services on behalf of the component institution or System Administration to obtain appropriate training,
- 5.12 Requires all personnel who procure goods and services through competitive methods to attain nationally recognized and/or State of Texas buyer certification, and
- 5.13 Conforms to the guidelines established by the Executive Vice Chancellor for Business Affairs.

5.2 Drafting and Implementation of Training and Certification Plan

The primary procurement officer of each component institution and of System Administration shall draft a proposed training and certification plan for his or her respective institution and shall implement the plan after review and written approval of the plan by the respective chief business officer.

## **PART TWO, CHAPTER V**

### **PERSONNEL**

Sec. 1. Classified Personnel Programs

The policy of the Board on the development and coordination of the classified personnel programs is as follows:

1.1 Director of the Office of Human Resources (*editorially amended 9/03 and 9/04*)

The Director of the Office of Human Resources serves as an administrative officer advising the Executive Vice Chancellor for Business Affairs.

1.2 Development and Coordination of the System-Wide Classified Personnel Program

1.21 The Classification Plan.

- 1.211 Coverage

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

Uniform use shall be made of the job grading procedure method of job evaluation. Job descriptions shall be prepared according to the Procedure for Writing Job Specifications provided by the Office of Human Resources.
- 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 (last amended 11/13/02)
  - 1.221 All classified positions will have a minimum and maximum defined for each salary range. The salary ranges shall be determined by annual market studies and the local economy. Merit increases will be awarded within the established salary ranges according to budget instructions and institutional policy approved for inclusion in the institutional Handbook of Operating Procedures.
  - 1.222 A System-wide Personnel Pay Plan setting forth the salary ranges for each job classification shall be utilized encompassing the salary ranges reflected in the component institution unit pay plans.
  - 1.223 Salary ranges for each job classification shall be dependent upon the competitive labor market environment for each institution.
  - 1.224 The System-wide Personnel Pay Plan shall be approved annually by the Chancellor. Subsequent changes to a component institution pay plan in a given fiscal year shall be processed as follows:
    - (a) The System Office of Human Resources shall process requested amendments to a component institution pay plan based on the impact of the change upon the System-wide Personnel Pay Plan.
    - (b) The System Office of Human Resources is authorized to approve the following proposed changes to a component institution pay plan:
      - (1) The adjustment of a salary range within the established System-wide salary range, if the change will not change the System-wide Personnel Pay Plan.
      - (2) Deletion of a title.

- (3) Change of a title.
  - (4) Change of a code number.
  - (5) Addition of a title that is in the System-wide Personnel Pay Plan if the salary range requested is within the established System-wide salary range.
- (c) The following proposed changes to a component institution pay plan require the approval of the System Office of Human Resources and the Chancellor or his or her delegate:
- (1) The addition of a new title that is not included in the System-wide Personnel Pay Plan.
  - (2) The addition of a title that is included in the System-wide Personnel Pay Plan at a salary range not within the established System-wide Personnel Pay Plan range for the title.
  - (3) The adjustment of a salary range that would change the established System-wide range by setting a new System-wide minimum or maximum salary.
- (d) The System Office of Human Resources shall notify a component institution of the approval or disapproval of a requested pay plan change as soon as practicable. No requested change may be implemented until authorized in writing.

1.23 Uniform Systems

Subject to System-wide rules, each of the component institutions shall provide a classified personnel system covering all positions not entailing significant instructional responsibilities or responsibilities for administration of instructional or research activities. These systems shall be as nearly uniform as possible, and shall include a schedule of class titles, job specifications for each class, a schedule of pay ranges, and policies and rules relating to personnel administration.

1.24 Salary Ranges and Steps

All appointments of classified personnel shall be made within appropriate salary ranges and on salary steps as defined by the classified personnel program approved by the Board for the particular component institution.

1.25 Institutional Human Resources/Personnel Officer

The chief business officer of each institution shall designate an institutional human resources/personnel officer to be responsible for the development and operation of the Classified Personnel Program. Functional direction and help on technical personnel matters shall be provided each institutional human resources/personnel officer by the Director of the Office of Human Resources.

Sec. 2. General Personnel

2.1 Overtime

2.11 The schedule of activities shall be so organized that nonexempt employees are not required to work in excess of 40 hours within an established workweek except when required by operating necessities. Any overtime services must be justified in writing and have the advance approval of the president, the chief business officer or designee.

2.12 With the exception of professional medical personnel and bona fide



executive, administrative, and professional positions, all employees required or permitted to work in excess of 40 hours per week shall be compensated for such overtime either:

- 2.121 By receiving compensatory time off at the rate of one and one-half hours off for each hour of overtime, subject to the accrual limitation of 480 hours in the case of personnel engaged in public safety or emergency response activities, or 240 hours for other categories of employees. Such compensatory time off shall be granted at a mutually convenient date anytime during the 12-month period following the end of the workweek in which such compensatory time is accrued, or during a shorter time period as specified by the component institution; or
  - 2.122 In cases where granting compensatory time is impracticable, by receiving pay equivalent to one and one-half times the regular rate of pay.
- 2.13 Compensatory time for those employees excepted from this provision shall be determined by the president of the institution involved.
  - 2.14 Institutions paying overtime shall maintain a monthly record of overtime paid indicating the number of employees so compensated and the total amount paid.

### Sec. 3. Employee Training, Education, and Development

#### 3.1 State Law (editorially amended 9/03 and 9/04)

The State Employees Training Act, [Texas Government Code Section 656.041 et seq.](#), recognizes that programs for the training and education of State administrators and employees materially aid effective State administration and requires each State agency to adopt rules governing such programs, subject to written approval of the Governor of the State of Texas. The Director of the Office of Human Resources, by delegation from the Executive Vice Chancellor for Business Affairs, is responsible for promulgating the necessary policies and procedures for implementation of the State Employees Training Act, consistent with the guidelines approved by the Governor.

#### 3.2 Training Programs

The Board of Regents requires the establishment of policies that promote training programs of benefit to employees. Policies implemented must be consistent with provisions of the State Employees Training Act, as follows:

- 3.21 The U. T. System Administration and component institutions will not extend funds under these provisions without the interest of the U. T. System Administration and component institutions being given first consideration.
- 3.22 If an employee does not perform the regular duties of the job for three or more months, a written agreement complying with the provisions of institutional policy will be executed between the employee and the U. T. System Administration or the component institution as required by State law.
- 3.23 Should an employee fail to honor the provisions of the agreement, the U. T. System Administration or the component institution will be reimbursed for all costs associated with the training period, including any amounts of the employee's salary not accounted for as paid vacation or compensatory leave.
- 3.24 The U. T. System Administration and component institutions will report annually to the Legislative Budget Board detailing the amount of money expended in the preceding fiscal year for training subject to the Act.

## PART TWO, CHAPTER VI

### BENEFIT PROGRAMS FOR EMPLOYEES

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

#### Sec. 1. Teacher Retirement System

Pursuant to [Texas Government Code Section 821.001 et seq.](#), a person, unless eligible to participate and participating in the Optional Retirement Program (Section 2 of this Chapter), employed by the System at least one-half time for a cumulative period of four and one-half months within one fiscal year must participate in the Teacher Retirement System of Texas.

#### Sec. 2. Optional Retirement Program

##### 2.1 Eligibility Standards

Eligibility standards for participation in the Optional Retirement Program (O.R.P.) shall be established pursuant to [Texas Government Code Section 830.001 et seq.](#) and eligibility rules adopted by the Texas Higher Education Coordinating Board.

##### 2.2 Authorized Vendors (*editorially amended 9/03 and 9/04*)

In consultation with the Office of the Executive Vice Chancellor for Business Affairs and in accordance with federal and State laws and regulations, the Director of Human Resources is authorized to issue on a periodic basis a Request for Proposals which contains the criteria a life insurance or mutual fund vendor must meet and continue to meet for selection and retention as an authorized vendor under the Optional Retirement Program. The Board of Regents shall select those companies accepted as vendors, based upon recommendation from the Director of Human Resources with the concurrence of the Executive Vice Chancellor for Business Affairs. Within a reasonable time period following selection by the Board of Regents, each vendor must execute a contract for products and services. The contract must be acceptable to The University of Texas System and must include the selection criteria contained in the Request for Proposals.

##### 2.3 Changes of O.R.P. Vendors

Each O.R.P. participant shall be permitted up to four changes of O.R.P. vendors per year, provided each change is to a company on the currently authorized vendor list. All O.R.P. vendor changes shall be in accordance with institutional policy governing such changes.

##### 2.4 Transfers of O.R.P. Accounts

Transfers of O.R.P. accounts may be made only to one of the currently authorized O.R.P. vendors. The change may be made only on the first day of a month.

#### Sec. 3. University of Texas Governmental Retirement Arrangement

##### 3.1 Governmental Excess Benefits Plan

The Board of Regents of The University of Texas System has authorized the establishment of a "governmental excess benefits plan" for the Optional Retirement

Program, authorized under [Internal Revenue Code](#) Section 415(m) and [Texas Government Code Section 830.004](#) and designated as The University of Texas Governmental Retirement Arrangement (U. T.GRA).

3.2 Eligibility for Participation

Eligibility for participation shall be based on an employee's date of initial participation in the Optional Retirement Program and the employee's level of earnings. Participation in the program and all subsequent distributions shall be in accordance with the plan documents.

3.3 Administration and Operation (*editorially amended 9/03 and 9/04*)

The Board delegates to the Executive Vice Chancellor for Business Affairs the power and authority to amend the plan documents consistent with applicable law and to take all actions and make all decisions and interpretations necessary or appropriate to administer and operate U. T.GRA consistent with the plan documents.

3.4 Funds Are Property of the Board of Regents Until Authorized Distribution

All funds participating in U. T.GRA including the monthly State contribution, amounts reduced from each participant's salary, and any subsequent investment earnings are the property of the Board of Regents until such time as an authorized distribution is executed in accordance with the plan documents.

3.5 External Organization as Trustee

The University of Texas M. D. Anderson Cancer Center Physicians Referral Service Retirement Board (PRS Retirement Board) shall serve as trustee and record keeper for U. T.GRA.

Sec. 4. Tax Sheltered Annuities

4.1 Authorized Companies

Pursuant to Article 6228a-5, [Texas Revised Civil Statutes Annotated](#), an employee may purchase Tax Sheltered Annuities (T.S.A.) from a company authorized to engage in business in the State of Texas, provided the products are authorized for [Internal Revenue Code](#) Section 403(b) participation.

4.2 Listing of Companies (*editorially amended 9/03 and 9/04*)

The University of Texas System Office of Human Resources, in consultation with the Office of the Executive Vice Chancellor for Business Affairs, shall maintain a listing of companies authorized to offer annuities or other investments under the Tax Sheltered Annuity Program.

Sec. 5. Employee Group Insurance and Health Benefits (*last amended 2/4/04*)

5.1 Administration

All group insurance, health benefit programs, and cafeteria plans authorized by law for employees of the U. T. System and its component institutions shall be administered by the Chancellor on behalf of the Board.

5.2 Committees and Administrators Authorized

The Chancellor shall provide for the planning, implementation, management, and administration of the employee group insurance and health benefit programs through such U. T. System committees and administrators as the Chancellor deems appropriate.

Sec. 6. Workers' Compensation Insurance

6.1 Benefits for Injuries

Pursuant to [Texas Labor Code Section 503.001 et seq.](#), a self-insured System-wide Workers' Compensation Insurance (W.C.I.) Program will provide certain benefits for injuries sustained in the course and scope of employment.

6.2 Investigation

The Office of Business and Administrative Services shall investigate injuries, with the assistance of other appropriate System and component institution offices.

6.3 Report of Injuries

The component institutions shall be responsible for reporting all work-related injuries to the Office of Business and Administrative Services. The Office of Business and Administrative Services shall file reports of lost time injuries and occupational diseases with the Texas Workers' Compensation Commission (T.W.C.C.).

6.4 Occupational Safety and Health

The Office of Business and Administrative Services shall coordinate occupational safety and health activities.

6.5 W.C.I. Fund (*editorially amended 9/03 and 9/04*)

A percentage of annual payroll, as approved by the Executive Vice Chancellor for Business Affairs, shall be set aside to fund the Workers' Compensation Insurance Fund (W.C.I. Fund).

6.51 Each institutional chief business officer shall be responsible for the transmission of amounts to be added to the W.C.I. Fund for all salaries paid, as instructed by the Office of Business and Administrative Services, for receipt into the W.C.I. Fund no later than 20 days after the end of each month.

6.52 The W.C.I. Fund must be deposited or invested in the same manner as other local institutional funds as specified in these Rules and Regulations.

6.6 Process of Claims

The Office of Business and Administrative Services shall be responsible for processing all W.C.I. claims for medical care and compensation.

6.7 Appeal of Decisions

The Office of General Counsel shall be responsible for a determination on appeal of T.W.C.C. decisions.

6.8 Annual Report

The Office of Business and Administrative Services shall prepare an annual report on the status of the W.C.I. Fund for the U. T. Board of Regents.

Sec. 7. Unemployment Compensation Insurance Program (*editorially amended 9/03*)

7.1 Weekly Benefits

The System-wide Unemployment Compensation Insurance (U.C.I.) Program will provide weekly benefits as specified in [Texas Labor Code Section 207.001 et seq.](#)

7.2 U.C.I. Fund

The Unemployment Compensation Insurance Fund (U.C.I. Fund) is established by

the U. T. Board of Regents to be deposited or invested in the same manner as other local institutional funds as specified in Part Two, Chapter III, Section 4 of these Rules and Regulations. The Office of Risk Management shall administer funding by assessment on all salary sources excluding those salaries paid from State General Revenue as provided in Subsection 7.24 of this Chapter.

7.21 The System will reimburse the State from the U.C.I. Fund for claims charge-backs paid by the State Comptroller for former employees whose salaries were paid from sources other than State General Revenue.

7.22 Claims charge-backs for former employees whose salaries were paid from State General Revenue shall be referred to each component institution for reimbursement of one-half of the claim paid by the State Comptroller.

7.23 The U.C.I. Fund shall at all times operate under principles established by the U.S. Department of Health and Human Services.

7.24 Assessment rates shall be calculated to provide minimum U.C.I. Fund balance fluctuations and maximum rate stability. Each institutional chief business officer shall be responsible for the transmission of such assessed amounts, as instructed by the Office of Risk Management, for receipt into the U.C.I. Fund no later than 20 days after the end of the month.

7.25 Expenditures from the U.C.I. Fund shall be limited to direct costs in accordance with Office of Management and Budget Circular A-21.

7.3 Administration

The Office of Risk Management, working in coordination with appropriate System and component institution offices, shall administer the U.C.I. Program, provide assistance as necessary to component institutions, and represent System Administration in appeals to the Texas Workforce Commission (T.W.C.).

7.4 Appeal of Decisions

The Office of General Counsel shall be responsible for a determination on appeals of T.W.C. decisions.

7.5 Annual Report

The Office of Risk Management shall prepare an annual report on the status of the U.C.I. Fund for the U. T. Board of Regents.

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

Pursuant to 42 United States Code Sections 410 through 418, all employees must participate in the Social Security Program, except for those employees specifically exempted from participation such as student employees in accordance with applicable agreements between the State of Texas and the Social Security Administration.

Sec. 9. Deferred Compensation Plan (*editorially amended 9/03, 8/3/04, and 12/2/04*)

As authorized by [Texas Government Code Chapter 609](#), any employee may participate in the Deferred Compensation Plan administered by the Employees Retirement System and established pursuant to Section 457(b) of the Internal Revenue Code of 1986, as amended.

Further, as authorized by Texas Revised Civil Statutes Annotated Article 6228a-5, Section 3(a), the Board has established a plan pursuant to Section 457(f) of the Internal Revenue Code of 1986, as amended, for the benefit of a select group of employees. Only employees designated by the Board as eligible employees may participate in the plan.

The Board delegates to the Executive Vice Chancellor for Business Affairs the power and authority to amend the Plan consistent with applicable law and to take all action and to make all decisions and interpretations that may be necessary or appropriate to administer and operate The University of Texas System Deferred Compensation Plan (the "Plan"), as further provided in the Plan. The Executive Vice Chancellor for Business Affairs will perform, or cause to be performed, such recordkeeping functions as necessary to administer and maintain the Plan in accordance with Section 457(f) of the Internal Revenue Code, consistent with Texas Revised Civil Statutes Annotated Article 6228a-5.

Sec. 10. U.S. Savings Bonds

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

Sec. 11. Availability of Benefit Descriptions

The Director of Employee Group Insurance Programs and the Director of Human Resources, through coordination with each of the component institutions, shall insure that up-to-date accurate descriptions of the participation and eligibility requirements for all employee benefits and programs are conveniently available to all prospective and current employees at System Administration offices and at all component institutions.

## **PART TWO, CHAPTER VII**

### **PHYSICAL PROPERTIES**

Sec. 1. Inventories

1.1 Annual Inventory

An actual physical inventory of property of the System shall be made each fiscal year in accordance with Texas Government Code Section 2151.001 et seq., and in compliance with appropriate regulations issued thereunder. The chief business officer of each component institution shall issue the necessary implementing instructions.

1.2 Responsibility for Property

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

1.3 Items Included in Inventory

Inventories as of August 31 include all equipment on hand as defined by the Texas Building and Procurement Commission under State law. Items that are worn out or discarded shall be deleted in accordance with the regulations of the Commission.

Sec. 2. Motor Vehicles

2.1 Use and Required Inscriptions

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

- 2.2 Daily Report  
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 10 days in a central location designated by the chief business officer.
- 2.3 Required Operator's License  
The operators of System-owned vehicles must hold, at their expense, an appropriate operator's license for the type of vehicle operated.
- 2.4 Inspection  
System-owned vehicles are subject to the compulsory inspection required by law.
- 2.5 Responsibility and Liability  
It shall be the obligation of the chief business officer of each of the component institutions to see that all employees who are required to drive System-owned vehicles are fully informed of their personal responsibility and liability for their negligent operation.
- 2.6 Reports Required by State Law  
Each component institution shall be cognizant of and render reports on operation of motor vehicles as required by the current Appropriations Act.

Sec. 3. Insurance for U. T. System *(editorially amended 9/03 and 9/04)*

- 3.1 Insurance Coverage  
Insurance is one of the methods used to finance the U. T. System's property, fidelity, and liability risks. The U. T. System will purchase and maintain insurance coverage when deemed necessary to protect its interests.
- 3.2 Terms of Policies  
The terms of any insurance policies, other than life, disability and health insurance policies, shall be negotiated by the Director of Risk Management. The purchase or renewal of policies with premiums in excess of \$100,000 shall be approved by the Executive Vice Chancellor for Business Affairs.
- 3.3 Notice of Loss and Approval of Claims  
At the time a loss occurs applicable to either System-wide or individual insurance policies, the Director of Risk Management shall be notified by the chief business officer of the component institution. For all claims, other than life, disability and health claims, in which the University is a claimant or when University approval is required or solicited from the insurance carrier, the Director of Risk Management shall approve all loss claims and settlements under \$50,000. Any settlement over \$50,000 and under \$500,000 shall be approved by the Executive Vice Chancellor for Business Affairs. Notification of the settlement will be given to the Board at the discretion of the Executive Vice Chancellor for Business Affairs. Settlements over \$500,000 and up to \$1 million shall be approved by the Executive Vice Chancellor for Business Affairs and shall be reported to the Board for ratification. Settlements in excess of \$1 million must have the approval of the Board.
- 3.4 Settlement of Catastrophic Claims  
In the case of a catastrophic occurrence where the loss is so extensive that partial payments in excess of \$1 million are necessary, the Chancellor is delegated authority to execute all documents related to the partial payment or adjustment. The Board will be notified by the Chancellor of all partial payments received in excess of \$500,000. Final settlement of claims in excess of \$1 million will require

approval from the Board.

3.5 Semiannual Report

The Director of Risk Management will provide a summary report of insurance purchases and claim settlements addressed in this section to the Executive Vice Chancellor for Business Affairs on a semiannual basis.

Sec. 4. 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. 5. Police and Security Officers

5.1 Protection of Property

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

5.2 Safeguarding of Equipment and Supplies

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

Sec. 6. Telephones

The director of information services, the director of physical plant, the chief business officer, or other person designated by the Chancellor or president of a component institution shall be responsible for the installation of telephones and the administration of all telephone facilities. Personal toll calls shall not be charged to University telephones. Charges for telephones and toll calls shall be pursuant to approved policy included in the Handbook of Operating Procedures or issued as a System policy.

Sec. 7. Disposal of Property of the System

The process outlined in this Section governs the sale and disposal of property, with the exception of sale of artwork or duplicate volumes that is covered by Subsection 7.6 of this Chapter.

7.1 Report of Obsolete or Unneeded Equipment

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 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.

7.2 Transfer to Public School or School District

If the chief business officer shall determine that the equipment is not needed for any department, that it is not practicable to store the equipment for possible future use, and that the equipment can be used for instructional purposes, it shall be made available to a public school or school district in accordance with [Texas Government Code Section 2175.304\(b\)](#) before disposing of the property in another manner. The instructional equipment may be transferred to the public school or school district for such consideration, or for no consideration, as the chief business officer determines appropriate.

7.3 Disposal of Surplus or Salvage Data Processing Equipment



Surplus or salvage data processing equipment, as defined by [Texas Government Code Section 2054.003\(3\)\(A\)](#), that is not transferred to a public school or school district as provided in Subsection 7.2 of this Chapter or that is not disposed of under other law must be offered next and at no charge to a school district, open-enrollment charter school, or the Texas Department of Criminal Justice in accordance with [Texas Government Code](#), Chapter 2175, Subchapter C.

7.4 Competitive Bids Required

Surplus or salvage equipment that is not disposed of as provided in Subsections 7.1, 7.2, or 7.3 of this Chapter shall be disposed of in accordance with the following provisions:

- 7.41 For items of little value or limited use where sale on competitive bids is not practicable, the chief business officer shall have the authority to dispose of the property on the basis of negotiated bids or surplus auction in amounts under \$50,000.
- 7.42 Sale of property estimated to bring \$50,000 or more shall be made on a basis of competitive bids.
- 7.43 A sale in the amount of \$100,000 or more shall be approved in advance by the Chancellor and ratified by the Board through the institutional docket.
- 7.44 Sales to employees are governed by the provisions of Part Two, Chapter IV, Section 4 of these [Rules](#).

7.5 Donation or Destruction of Surplus or Salvage Equipment (*title editorially amended 12/02*)

If an item of surplus or salvage equipment is not disposed of as provided in this Section and the chief business officer determines that the item is of nominal use or value, the chief business officer may direct that the item be donated to a civic or charitable organization or destroyed. If the chief business officer directs the donation of the item to a civic or charitable organization, he or she shall assure that the donation serves a proper public purpose appropriate to the function of the U. T. System or the U. T. System component institution, adequate consideration flows to the public, and sufficient controls are in place to ensure the public purpose is achieved.

7.6 Sale of Artwork or Duplicate Volumes

When the president of a component institution or his or her delegate determines that a work of art or a duplicate of a valuable, rare, or significant volume is no longer of significant use for the purposes of teaching or research, the item is subject to sale following the procedure outlined in this Section. The disposability and current fair market value of the item shall be certified by a three-member panel (including either an art historian or a bibliographer) and the director of the collection disposing of the property. U. T. System institutions shall be given first choice in acquiring the item before it is offered for sale. Proceeds from the sale shall be used for purchases to improve the collection from which the item was drawn or to select items more appropriate to the institution's collection areas.

Sale is subject to the approval of the president or his or her delegate and must be for the fair market value of the item. A permanent record shall be made of the disposition and future location of the item.

Sec. 8. 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 president. The chief business officer or his or her delegate shall advise departments and administrative offices as to the procedure to be followed in disposing of or acquiring property by this means.

Sec. 9. Disposition of Abandoned and Unclaimed Personal Property

Except as otherwise specified in Subsections 9.6, 9.7, and 9.8 of this Chapter, abandoned and unclaimed personal property of every kind that is not being held as evidence to be used in a pending criminal case and remains in the custody of the Property Manager of any component institution for a period of 60 days will be disposed of in the following manner:

9.1 Notice to Owner

The Property Manager designated by the president of a component institution shall mail a notice to the last known address of the owner of such property by first-class certified mail, return receipt requested, if the owner is known. If the Property Manager determines that the value of the property exceeds the anticipated cost of storage and sale of the property and if no owner's address is known or if the last known owner does not respond to the notice mailed to his or her last known address, then the Property Manager shall cause to be published once in the campus student newspaper or once in a paper of general circulation in the county in which the institution is located a notice as described below. The mailed and published notices shall contain a description of the property held; the name of the owner, if known; the name, telephone number, and address of the officer holding the property; and the location where the property can be inspected and redeemed. The published notice shall also state that the property, if unclaimed, will be sold at public sale and provide the date, time, and place of such sale.

9.2 Abandoned Property to be Sold

All personal property that remains unclaimed at the expiration of 60 days from the date of publication in a newspaper of the notice required by Subsection 9.1 of this Chapter shall be deemed to be abandoned and may be sold at the announced date.

9.3 Public Sale

The Property Manager shall sell the property that remains unclaimed to the highest bidder at the announced public sale. The Property Manager may decline the highest bid if he or she considers such bid insufficient and need not reoffer any property for sale, if, in his or her opinion, the probable cost of sale is in excess of the value of the property. All proceeds of the sale shall be deposited into a fund designated for this purpose.

9.4 Claim to Sales Proceeds

Any person claiming an interest in any property presumed abandoned and sold under the provisions of this Section shall be allowed to file a claim to such property with the Property Manager on forms and through procedures prescribed by the Property Manager; upon approval of such claim by the Property Manager, the owner may recover the proceeds of such sale after deduction of the reasonable expense of storage and sale of such property.

9.5 Use of Unclaimed Proceeds

Proceeds of sales that remain unclaimed may be used by the institution for student scholarships or other institutional purposes.

- 9.6 Abandoned Vehicles  
Vehicles that are abandoned and unclaimed will be disposed of in accordance with Texas Transportation Code Sections 683.001 – 683.078.
- 9.7 Disposal of Drugs Pursuant to State Law  
Drugs in the possession of any component institutional police department will be disposed of in the manner prescribed by the Texas Health and Safety Code Section 483.074 (the Texas Dangerous Drugs Act), and by the Texas Health and Safety Code Sections 481.151 and 481.160 (the Texas Controlled Substances Act).
- 9.8 Disposition of Property Left in University Housing  
The custody and disposition of property of tenants of dormitory rooms and other residential units of a component institution shall be in accordance with Texas Property Code Subchapter C, Title 5, Sections 54.044 and 54.045.

## **PART TWO, CHAPTER VIII**

### **FACILITY IMPROVEMENTS AND CONSTRUCTION** *(title editorially amended 12/02)*

#### **Sec. 1. Naming of Facilities and Other Entities**

- 1.1 Buildings, Major Facilities, and Major Academic Units *(editorially amended 11/03)*  
The naming of buildings; other major facilities, such as wings of buildings, major components of buildings, large auditoria, concert halls, atriums, prominent outdoor spaces, and clinics; and other major entities, such as colleges, schools, academic departments, and major academic centers, programs and institutes of the U. T. System and its component institutions, whether for an individual or with a functional or historical designation, is the prerogative and responsibility of the Board of Regents and can be initiated by the Board when circumstances warrant. When recommendations for naming of buildings or other major facilities or entities originate at other than the level of the Board, such recommendations shall be forwarded to the Board of Regents with recommendations of the Chancellor, the Executive Vice Chancellor for Health Affairs or the Executive Vice Chancellor for Academic Affairs, the Vice Chancellor for External Relations, and the president of a component institution, accompanied by reasons for the recommendation, and following campus consultations where appropriate. Recommendations for naming of buildings or major facilities or entities require Board of Regents' approval via the agenda.
- 1.2 Less Prominent Facilities and Entities  
For less prominent facilities such as laboratories, classrooms, seminar rooms, and patient rooms or for less prominent academic centers, programs, and institutes, naming authority is delegated to each component institution president based on a set of general guidelines which are reviewed and approved by the Chancellor. An annual report of such namings will be included with the annual operating budget submission or updated Capital Improvement Program.
- 1.3 Honorific Namings  
Facilities and other entities may be named to memorialize or otherwise recognize substantial gifts and significant donors or individuals designated by donors. Such designation may be for a single gift, multiple gifts over time, or for a combination of gifts and other contributions. Buildings and other entities may also be named for individuals who have made exemplary or meritorious contributions to the System,

component institution, or society.

1.31 Each component institution will develop guidelines for what constitutes substantial and significant donations to warrant a naming. These guidelines may vary from campus to campus and sometimes within a campus dependent upon the nature and purpose of the facility or entity or other factors. Institutional donor guidelines are subject to prior administrative review and approval procedures for inclusion in the institutional Handbook of Operating Procedures. Exceptions to any approved guidelines are subject to the same approval process.

1.32 Namings in honor of campus administrative officials, faculty, or staff or elected or appointed public officials shall normally occur only after the campus employment or public service has concluded.

1.4 Naming Related to Private-Fund Campaign (*editorially amended 11/03*)

When the naming of buildings or other major facilities or entities is contemplated as part of a special private-fund development campaign, that campaign, the proposed naming, and the associated private-fund contributions to be sought shall have prior approval of the component institution president, the Executive Vice Chancellor for Health Affairs or the Executive Vice Chancellor for Academic Affairs, the Vice Chancellor for External Relations, the Chancellor, and the Board as required in Part One, Chapter VII, Section 5, Subsection 5.5 of the Regents' Rules and Regulations.

1.5 Annual Reports

The Chancellor will arrange for the Board of Regents to be informed periodically by component institution presidents and System administrative officials via the annual budget process or other appropriate forum regarding buildings or other major facilities or entities to be named and the private-fund contributions to be sought. Unexpected naming opportunities not covered in such sessions should be reviewed with the Board via regular Board of Regents' committee meetings. No commitment regarding the naming of a building or major facility or entity is to be made prior to the Board being informed or consulted and approvals obtained required by this Section.

1.6 Non-Honorific Redesignation

Non-honorific renaming and redesignation of projects in the Capital Improvement Program (CIP) shall be reviewed and approved by the Chancellor or the Chancellor's delegate. Such approved redesignations will be included in the amended CIP.

Sec. 2. Capital Improvement Program

2.1 Biennial Presentation

The University of Texas System Administration will prepare a Capital Improvement Program (CIP) biennially to be presented to the U. T. System Board of Regents in August following completion of each regular session of the Texas Legislature.

2.2 Contents of Program

The CIP will consist of a six-year projection of major new construction and repair and rehabilitation projects (Major Projects) to be implemented and funded from component institution and System-wide revenue sources. The CIP should be a current reflection of the institutions' continuous processes of strategic planning and master planning for institutional programs, as well as for the future development and preservation of the physical plant of the campuses.

2.21 Major Projects

Major Projects are defined as repair and rehabilitation projects of at least \$2 million and new construction projects of at least \$1 million. A project that is architecturally or historically significant is defined as a Major Project regardless of cost.

2.22 “Off-Cycle” Requests

Candidate projects will routinely be added to the CIP during the biennial update. For emerging critical or urgent new Major Projects, the institutional president may submit an "off-cycle" request for inclusion via the quarterly Board of Regents' agenda. Requests to add to or modify the CIP will be reviewed in accordance with the processes adopted in the CIP.

2.3 Expenditure of Institutional Funds

Adoption of the CIP provides authority for the U. T. System Administration and the institutional administration to expend institutional funds up to 3% of the anticipated preliminary project cost to develop the formal Facility Program document, select the project architect, and develop preliminary project plans. These funds will be provided by the component institution initially but may be reimbursed to the component institution from applicable bond proceeds after design development approval and appropriation of project funds by the Board.

2.31 For projects identified and designated as feasibility and planning phases of design, the U. T. System Administration and the institutional administration may expend institutional funds not to exceed the full preliminary project cost. These funds will be provided by the component institution initially but may be reimbursed from applicable bond proceeds after design development approval and appropriation of project funds by the Board.

2.32 Requests to expend funds in excess of the amount equal to the 3% but not more than 10% of the anticipated preliminary project shall be reviewed and approved by the Chancellor.

2.4 Institutional Management of Major Projects (last amended 11/13/02)

Adoption of the CIP includes authorization of institutional management of Major Projects so designated in the CIP. “Off-cycle” requests for institutional management shall be reviewed and approved by the Chancellor or Chancellor's delegate. Projects approved for institutional management will be included in the amended CIP. Projects designated for institutional management shall follow the process, authority, and approvals as outlined in Section 5 of this Chapter for the full amount stipulated in the CIP. Funding other than debt financing will be appropriated at the time of authorization of institutional management.

2.5 Capital Budget

The CIP will include the Capital Budget, a two-year detailed expenditure allocation of source(s) of funds.

2.51 Approval of the Capital Budget authorizes and appropriates funding amounts and sources for identified major repair and rehabilitation projects that are not architecturally or historically significant. Authorization of these projects and appropriation of these funds allows these projects to be presented to the Chancellor for approval of design development plans, authorization for expenditure of funds, and execution of the projects by the administrative staff without returning to the Board for further approvals.

2.52 The Board will approve the design development plans for all Major Projects other than repair and rehabilitation projects that are not architecturally or historically significant.

Sec. 3. Institutional Committees

3.1 Institutional Building Advisory Committees

There may be an Institutional Building Advisory Committee for each component institution. The duties, composition, and appointment of the members of the Institutional Building Advisory Committee shall be set forth in the Handbook of Operating Procedures of each component institution. The Institutional Building Advisory Committee shall have no further direct responsibility after the construction contract is awarded but shall be available for consultation as the building progresses, as requested by the president of the component institution, the appropriate Executive Vice Chancellor, the Chancellor, or the project architect or engineer.

3.2 Ad Hoc Project Building Committee

The president may appoint, according to the institutional Handbook of Operating Procedures, an Ad Hoc Project Building Committee composed of, but not limited to, representatives of the departments or divisions that will occupy the building. The chairperson of the Institutional Building Advisory Committee, or his or her delegate, shall be an ex officio member of each Ad Hoc Project Building Committee. The Committee shall work with the Office of Facilities Planning and Construction to prepare a facility program in accordance with the Facilities Programming Guidelines maintained by the Office of Facilities Planning and Construction.

3.3 Architect Selection Advisory Committees (*editorially amended 9/03 and 9/04*)

Architect Selection Advisory Committees for Major Projects shall be appointed by the institutional president in consultation with the Office of Facilities Planning and Construction and the Executive Vice Chancellor for Business Affairs. Architect Selection Advisory Committees for Minor Projects shall be appointed by the Responsible Administrator.

3.31 Special Interest Projects

For projects identified by the Facilities Planning and Construction Committee (FPCC) to be of special interest to the Board of Regents because of proposed siting, historical or cultural significance, proposed use, or other unique characteristics, the FPCC will select the architect. For these special interest projects, the institutional president will appoint an Architect Selection Advisory Committee that may include two members of the Board named by the Chairman. The Architect Selection Advisory Committee will interview and review the competence and qualifications of candidates and prepare an unranked list of approximately four architects to be presented through the Chancellor to the FPCC for consideration. The FPCC may select an architect from this list, may ask the Selection Advisory Committee for additional recommendations of architects responding to the Request for Qualifications (RFQ), or may select an architect responding to the RFQ but not on the list on the basis of competence and qualifications. The FPCC will conduct interviews and site visits as necessary and will select the architect based on competence, qualifications, and criteria published in the RFQ.

3.32 Architect Appointment by Chancellor

For all other Major Construction and Repair and Rehabilitation Projects, Architect Selection Advisory Committees are authorized to evaluate, rank, and make selection recommendations of project architects for appointment by the Chancellor.

3.4 Selection Committees for Design-Build Contractors, Construction Manager-Agents, Construction Managers-at-Risk, General Contractors, and Job Order Contractors (editorially amended 9/03 and 9/04)

Selection Committees are authorized to evaluate, rank, and select design-build contractors, construction manager-agents, construction managers-at-risk, general contractors, and job order contractors on the basis of qualifications and competitive sealed proposals in response to RFQs and Requests for Proposals (RFPs).

Selection Committees are also authorized to enter into discussions for modification and negotiation of competitive sealed proposals in response to requests for proposals with respondents, as required or permitted by law. Selection Committees for Major Projects shall be appointed by the Assistant Vice Chancellor for Facilities Planning and Construction in consultation with the institutional president and the Executive Vice Chancellor for Business Affairs. Selection Committees for Minor Projects shall be appointed by the Responsible Administrator.

Sec. 4. Major Construction and Repair and Rehabilitation Projects

4.1 General Requirements

4.11 Subject to Subsections 1.2 and 3.3 and Subdivisions 4.12, 4.13, 4.14 and 4.15 of this Chapter and the general provisions of Part One, Chapter I, Section 9 and except as otherwise specified in these Rules and Regulations, the Chancellor, with the advice of the appropriate Executive Vice Chancellor and institutional president, is authorized to appoint architects, approve plans, and execute contracts for all new construction projects and for all major repair and rehabilitation projects that have previously been approved or authorized by the Board in the CIP.

4.12 Major Projects must be approved by the Board by being included in the approved Capital Improvement Program.

4.13 Funding for Major Projects must be allocated by the Board through the Capital Budget. Funding for Major Repair and Rehabilitation Projects that are not architecturally or historically significant may be appropriated by the Board through the Capital Budget. Funding for all other Major Projects is appropriated at the time of design development plan approval.

4.14 Costs in excess of an amount equal to the Total Project Cost approved by the Board plus 10% or any material change in the concept or scope of the project must be approved by the Board.

4.15 Construction contracts executed and delivered on behalf of the Board for Major Projects shall comply with guidelines issued by the Office of General Counsel and shall be written on a standard form approved by the Office of General Counsel. Payment and performance bonds, when required by law for contracts, shall be on a standard form approved by the Office of General Counsel.

4.16 The Chancellor or delegate shall approve the construction contractor's, design-build contractor's, or construction manager's estimates, guaranteed maximum price, or stipulated sum proposals; sign change orders; and provide general supervision of all Major Projects. The Chancellor with the advice of the appropriate Executive Vice Chancellor and component institution president is authorized to increase the approved Total Project Cost not more than 10%. To provide funding for the increase, the Chancellor may reallocate funding between or among approved projects at a single component institution if funding for such projects has previously been authorized in accordance with Subdivision 4.13 of this Chapter or approve funding from some other source available to the component institution.

4.2 Major Projects Procedures

- 4.21 Following Board approval of a Major Project and the Preliminary Project Cost, the Institutional Building Advisory Committee shall make recommendations to the president regarding priorities for new construction consistent with the needs of the component institution.
- 4.22 The facility program must be approved by the Chancellor.
- 4.23 The Chancellor, on behalf of the Board, will utilize the services of a project architect, engineer, or design-build contractor for each Major Project or portion thereof as may be desirable or required by law. Requests for Qualifications (RFQs) issued to solicit responses from interested architects will include a requirement that the architect evidence agreement to adhere to the approved Campus Master Plan and a set of criteria applicable to the facility program and the needs of the institution. Contracts with architects and engineers shall comply with guidelines issued by the Office of General Counsel and shall be written on a standard form approved by the Office of General Counsel.
- 4.24 After approval of the facility program, the Chancellor or delegate is authorized to give the project architect, engineer, or design-build contractor the facility program and the Campus Master Plan and to direct the preparation of schematic plans, exterior design, site plans, cost estimates, and other necessary and appropriate documents ("Schematic Plans") and design development plans, elevations, and sections, outline specifications, cost estimates, and other related work to fix the design, dimensions, materials, and scope of the project in greater detail ("Design Development Plans"). Design Development Plans are referred to as Preliminary Plans in applicable rules of the Texas Higher Education Coordinating Board. The project architect, engineer, or design-build contractor shall work with the Ad Hoc Project Building Committee, if any, the Office of Facilities Planning and Construction, and the Facilities Planning and Construction Committee with regard to plans, documents, and architectural design.
- 4.25 Design Development Plans for Major Project new construction and for architecturally or historically significant repair and rehabilitation projects shall be submitted to the Board for approval upon the recommendation of the Chancellor. The Executive Officers and component institution presidents shall be responsible for identifying to the Chancellor architecturally or historically significant major repair and rehabilitation projects. Upon approval of the Design Development Plans for Major Project new construction or an architecturally or historically significant repair and rehabilitation project, the Board will authorize expenditure of funds for the Project.
- 4.26 The Chancellor is authorized to approve Design Development Plans and authorize expenditure of funds for all other Major Project repair and renovation.
- 4.27 After approval of the Design Development Plans, the Chancellor is authorized to direct the preparation of the working drawings and specifications ("Construction Documents").
- 4.28 The Chancellor is authorized to approve the Construction Documents upon the recommendation of the component institution president and the appropriate Executive Vice Chancellor.

Sec. 5. Minor Construction and Repair and Rehabilitation Projects

5.1 Delegation of Authority

Subject to Subsections 5.2 and 5.3 of this Chapter and the general provisions of



Part One, Chapter I, Section 9 and except as otherwise specified in these Rules and Regulations, each component institution president and the Chancellor is authorized to appoint architects, approve plans and Construction Documents, and execute and deliver contracts, agreements, guaranteed maximum price or stipulated sum proposals, and other documents on behalf of the Board for all new construction projects of \$1 million or less and for repair and rehabilitation projects of \$2 million or less ("Minor Projects").

5.2 Required Review and Approval

Minor Projects shall be subject to review as directed by the appropriate Executive Vice Chancellor. If the Minor Project is to accommodate facility program changes requiring System approval or approval of the Texas Higher Education Coordinating Board, then (i) necessary facility program approvals must be secured in advance of requests for construction approval or must be included with the construction request; (ii) funds must have been approved through standard System budgetary procedures; and (iii) the project must have been approved by the component institution director of physical plant, chief business officer, and president.

5.3 Professional Services

Subject to the provisions of Part One, Chapter I, Section 9 of these Rules and Regulations, each component institution president is authorized to execute and deliver on behalf of the Board contracts and agreements with architects, engineers, and other professional service providers for Minor Projects previously approved in accordance with this Chapter. Contracts with architects and engineers shall comply with guidelines issued by the Office of General Counsel and shall be written on a standard form approved by the Office of General Counsel.

Sec. 6. Bidding, Proposals, Award of Contract, and Final Payment

6.1 Advertisement for Bids and Proposals

The Chancellor with respect to Major Projects or the component institution president with respect to Minor Projects (the "Responsible Administrator") is authorized to advertise for bids, qualifications, and proposals for construction projects. The Construction Documents must be approved by the Chancellor before the advertisement for bids, or the solicitation of competitive sealed proposals from general contractors, for Major Projects.

6.2 Modification of Bids

No bid may be changed, amended, or modified after the time for bid filing set out in the advertisement for bids. The substance of this requirement shall be stated in the advertisement for bids provided, however, that this requirement shall not be construed to prohibit the submission or filing of more than one separate and independent bid by any bidder or the modification and negotiation of proposals as permitted by law.

6.3 Proposed Decision for Award

The Responsible Administrator or delegate shall receive and open bids and, with the project architect or engineer, if any, and others, shall tabulate and study such bids. After tabulation and study of the bids, the Responsible Administrator shall make a proposed decision for award. The proposed decision for award based on competitive sealed proposals in response to a request for proposals shall be made by the Selection Committee.

6.4 Notice of Proposed Decision for Award by Bid

In the event the lowest bidder is found to be not responsible or other facts and

circumstances necessitate award of contract to other than the lowest bidder, the bidder(s) submitting proposal(s) lower than the bidder to whom award is proposed shall be notified of the proposed decision for award. If the lowest bidder fails to timely file notice of protest, the proposed decision for award will be final.

6.5 Notice of Protest

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

6.6 Award of Contract

All contracts associated with construction projects shall be awarded by the Responsible Administrator. The contract must be signed by the contractor(s) and the Responsible Administrator.

6.7 Final Payment

The Responsible Administrator or delegate shall inspect the completed building and is authorized to approve final payment.

Sec. 7. Constitutional and Legislative Restrictions

7.1 Improvements Financed by Bonds

[Sections 17](#) and [18](#) of Article VII of the Texas Constitution (regarding the Permanent University Fund and the Higher Education Assistance Fund, as referenced at [Texas Education Code](#) Section 62.026 as the Higher Education Fund) require approval by the Legislature, or an agency designated by the Legislature, prior to the construction of physical improvements financed by bonds authorized under those Sections at component institutions other than The University of Texas at Austin.

7.2 Approval by Texas Higher Education Coordinating Board (editorially amended 9/03 and 9/04)

Unless otherwise authorized by law, new construction projects in excess of \$1 million and major repair and rehabilitation projects in excess of \$2 million must be approved by the Texas Higher Education Coordinating Board. Format for submission will be as prescribed by the Coordinating Board. Submission will be prepared by the component institution, in consultation with and assisted by the Office of Facilities Planning and Construction, if necessary, and forwarded to System Administration for review, approval, and handling of submission. It is anticipated that necessary documents will be submitted to the Coordinating Board when the project scope and estimated cost are sufficiently defined to meet the Coordinating Board's requirements for approval. Normally, submission will be made after the Chancellor and the Board have approved the Design Development Plans and the related cost estimate.

The Texas Higher Education Coordinating Board has delegated to its Commissioner approval authority for certain projects qualifying under Coordinating Board Rule 17.46. This delegation requires a certification that the project meets specified criteria. The authority to execute this certification for the Board of Regents is delegated to the Executive Vice Chancellor for Business Affairs or the Assistant Vice Chancellor for Facilities Planning and Construction.

## PART TWO, CHAPTER IX

### MATTERS RELATING TO INVESTMENTS, TRUSTS, AND LANDS

#### Sec. 1. Authority Regarding Assets *(editorially amended 11/03)*

Except as otherwise specified in these Rules and Regulations, the authority to manage and invest assets owned or controlled by the Board shall be as set forth in this Chapter.

##### 1.1 Real Property

The management and disposition of interests in real property owned or controlled by the Board, other than real property acquired and managed by UTIMCO for investment purposes, are governed by Section 6 of this Chapter and the remainder of this Chapter does not apply.

##### 1.2 Funds for Endowment or Annuities

All assets received by the Board to establish, or that modify, an endowment (other than the Permanent University Fund), a fund functioning as an endowment, or a life income or annuity fund shall be accepted and processed by the Office of External Relations and, after acceptance and processing, shall be delivered to the appropriate office for management.

##### 1.3 Funds from a Bequest, Trust, or Planned Gift

All assets received by the Board through a bequest, a distribution from an account held in trust by others, or for the establishment or modification of any planned gift shall be accepted and processed by the Office of External Relations and, after acceptance and processing, shall be delivered to the appropriate office for management. This Subsection and Subsection 1.2 of this Chapter shall not apply to additions to an existing endowment, a fund functioning as an endowment, or a life income or annuity fund if the addition does not change or modify the endowment or fund. Such additional gifts shall be accepted and processed by the Chancellor or president of a component institution, or designee specified in writing.

##### 1.4 Bequest of Intellectual Property Rights

Rights in intellectual property received by the Board through a gift or bequest shall be accepted and processed by the Office of External Relations and, after acceptance and processing, shall be delivered to the appropriate office for management in accordance with Part Two, Chapter XII of these Rules and Regulations. This Chapter shall not apply to rights in intellectual property owned or controlled by the Board except as provided in this Subsection.

##### 1.5 Permanent University Fund Assets

All assets of the Permanent University Fund, other than Permanent University Fund lands, shall be managed by UTIMCO or as otherwise directed by the Board.

##### 1.6 Management of Endowment, Trusts, and Pooled Funds

All assets received for or held in an endowment fund (other than the Permanent University Fund), a fund functioning as an endowment, or a Charitable Remainder Trust or a Pooled Income Fund shall be managed by UTIMCO or as otherwise directed by the Board until such funds terminate.

##### 1.7 Consolidated System Funds

All assets of Retirement of Indebtedness Funds, Bond Proceeds, Unemployment

Compensation Funds, Workers' Compensation Funds, the Medical/Dental Self-Insurance Fund, the Vision Services Fund, and the Medical Liability Self-Insurance Fund ("consolidated System funds") shall be managed with respect to investment of such funds as set forth below:

- 1.71 The Office of Business Affairs shall invest the Retirement of Indebtedness Funds, Bond Proceeds, Unemployment Compensation Funds, Workers' Compensation Funds, the Medical/Dental Self-Insurance Fund, and the Vision Services Fund in the same manner that chief business officers may invest the operating funds of each component institution.
- 1.72 UTIMCO shall invest the Medical Liability Self-Insurance Fund in the Long Term Fund, Short Intermediate Term Fund, and Short Term Fund as directed by the Vice Chancellor and General Counsel.

1.8 Other Assets (last amended 8/7/03)

Assets that are not a part of the Permanent University Fund, an endowment fund, a fund functioning as an endowment, a life income or annuity fund, or consolidated System funds shall be managed as set forth in this Subsection:

- 1.81 Tangible personal property shall be managed by the component institution president.
- 1.82 Intangible personal property consisting of securities, interests in businesses, and equity interests in technology transfer firms as set out in the Regents' intellectual property policy shall be managed by the component institution president or by UTIMCO, as determined by the component institution president. UTIMCO shall hold all stock certificates of securities managed by, or held on behalf of, the component institution president and shall assign, transfer, or sell such securities, as directed by the component institution president or his or her designees, in accordance with Section 2 of this Chapter. Other intangible personal property shall be managed by the component institution president.
- 1.83 The component institution president may designate in writing one or more committees, employees, officers, or other agents of the institution, or one or more outside managers to manage any or all of the assets described in Subdivisions 1.81 or 1.82 of this Chapter on behalf of the component institution president.

Sec. 2. Authorizations Regarding Sales, Assignments, Conveyances, Receipt of Property, and Proxies

2.1 Authority to Purchase, Exchange, and Sell Securities for and on Behalf of the Permanent University Fund (PUF) and the Board

Pursuant to an Investment Management Services Agreement, UTIMCO shall be authorized to purchase, exchange, and sell, for and on behalf of the Permanent University Fund (hereinafter sometimes referred to as "PUF") or the Board, any and all securities of any description whatever and from any source, including gifts and bequests, registered in the name of the PUF or the Board, or in any other form of registration of such securities held for the account of the PUF or the Board in whatever manner, including all fiduciary capacities and including those registered in the names of trusts or foundations managed and controlled by said Board. In addition, external investment managers appointed by UTIMCO may purchase, sell, or exchange securities, pursuant to written agreement with UTIMCO.

2.2 Authority to Transact Through Investment Dealers

Sales, purchases, and exchanges by UTIMCO shall be effected through investment dealers or brokers in accordance with the applicable Investment Policy Statement.

2.3 Additional Authority to Sell Securities for and on Behalf of the Board (*editorially amended 9/04*)

The Executive Director for Development and Gift Planning Services shall be authorized to sell, for and on behalf of the Board, any and all securities of any description whatever from any source, received as gifts and/or bequests, registered in the name of the Board, or in any other form of registration of such securities held for the account of the Board in whatever manner, including all fiduciary capacities and including those registered in the names of trusts managed and controlled by said Board.

2.4 Authority to Assign and Transfer Securities Owned by the PUF and the Board

UTIMCO may assign and transfer any and all securities of any description whatever and from any source, including gifts and bequests, and execute any and all documents necessary to the consummation of any sale, assignment, or transfer of any securities registered in the name of the PUF or the Board, or in any other form of registration of such securities held for the account of the PUF or the Board in whatever manner, including all fiduciary capacities and including those registered in the names of trusts or foundations managed and controlled by said Board. In addition, custodian banks appointed by UTIMCO may assign and transfer securities and execute any and all documents necessary to the consummation of any sale, assignment, or transfer of any security owned by the Board.

2.5 Authority to Receive and Collect Money or Property (*last amended 8/7/03*) (*editorially amended 11/03 and 9/04*)

2.51 UTIMCO is authorized and empowered to seek, demand, collect, recover, and receive any and all sums of money, debts, dues, rights, property, effects, or demands due, payable, or belonging, or that may become due, payable, or belonging to the PUF or the Board from any person or persons as a result of any investment transaction and to execute any and all necessary or proper receipts, releases, and discharges therefor and any other instruments as may be necessary or appropriate from time to time relating to the handling, management, control, and disposition of any investment. The authority granted in this Subdivision does not include the authority to institute litigation on behalf of the Board or to settle contested claims or litigation that may result in UTIMCO receiving less than full value for the claim or the payment of damages or awards. The settlement of any contested claim or litigation for less than full value requires the prior approval of the U. T. System Vice Chancellor and General Counsel and appropriate System officials, as set out in Part Two, Chapter XI, Section 3 of these Rules and Regulations.

2.52 The Vice Chancellor for External Relations or the Executive Director for Development and Gift Planning Services is authorized to seek, demand, collect, recover, and receive any and all sums of money, debts, dues, rights, property, effects, or demands due, payable, or belonging, or that may become due or payable to the Board from any person or persons as a result of, or relating to, a gift or bequest and to execute any and all necessary or proper receipts, releases, and discharges therefor and any other instruments as may be necessary or appropriate from time to time relating to the receipt, handling, management, control, and disposition of any asset acquired by gift or bequest unless and until such time as the Office of Development and Gift Planning Services has delivered the asset to another office for management purposes as provided in these Rules and Regulations.

2.6 Authority to Execute Proxies and Consent to Modifications in Bond Indentures

UTIMCO is authorized to consent to modifications in bond indentures and to execute proxies within the approved investment policies.

2.7 Authority to Deliver and Maintain Securities in Book-Entry Form

Securities owned by the PUF or the Board may be delivered and maintained by a custodian bank or a member bank of the Federal Reserve System in book-entry form subject to applicable law.

Sec. 3. Policy for Investment and Management of the PUF

3.1 Investment Policy Statement

The policies for the investment of funds for the Permanent University Fund shall be those outlined in The Permanent University Fund Investment Policy Statement.

3.2 Reports Regarding Asset Management (last amended 8/12/04)

3.21 The investment performance of the PUF, as measured by an unaffiliated organization, shall be reported to the Board quarterly.

3.22 The nature and extent of any investments in or business transacted with any firm with which a director, officer or employee of UTIMCO is affiliated will be reported to the Board annually.

3.3 Authorization to Protect PUF Interests (last amended 8/12/04)

Subject to the provisions of Subsection 2.5 of this Chapter, UTIMCO is authorized to take any and all steps as may be considered necessary or advisable to protect the interest of the PUF in event of default or any other significant changes occurring with respect to any investment.

3.4 Policies with Respect to Stock Rights, Fractional Shares, and Proxies

3.41 Exercise of or sale of stock rights and warrants is to be made at the discretion of UTIMCO.

3.42 Fractional shares that arise in connection with funds under control of UTIMCO shall be handled at its discretion.

3.43 As a general rule, voting stocks held are to be voted by UTIMCO pursuant to its proxy voting policy.

3.5 Financial Advisors and Service Providers (added 11/13/03)

Financial advisors and service providers as defined in Texas Government Code Section 2263.002 shall comply with the disclosure requirements contained in Texas Government Code Section 2263.005.

Sec. 4. Policy for Investment and Management of U. T. Investment Pools

4.1 Investment Policy Statement

The policies for the investment of funds for U. T. investment pools shall be those outlined in the applicable Investment Policy Statement.

4.2 Application of Other Regulations (last amended 11/13/03)

The provisions of Subsections 3.2, 3.3, 3.4, and 3.5 of this Chapter with respect to the investment and management of the PUF, shall also apply to other U. T. investment pools.

4.3 System Professional Medical Liability Benefit Plan

The Professional Medical Liability Fund shall be administered in a manner consistent with all provisions of the System Professional Medical Liability Benefit Plan.

- 4.4 Conformance with Trust Indenture and State Law  
Each pooled income fund established by U. T. shall be administered according to The University of Texas System Separately Invested Endowment, Trust, and Other Accounts Investment Policy Statement, the fund's trust indenture, and applicable law.

Sec. 5. Policy for Investment and Management of Endowment, Trust, and Other Accounts Invested Through or Separate from U. T. Investment Pools

- 5.1 Management of Endowments *(last amended 8/7/03)*  
Endowment funds and funds functioning as endowments will be managed in a manner consistent with the U. T. System Gift Acceptance Procedures, and the investment standards set forth in the Uniform Management of Institutional Funds Act ([Texas Property Code Chapter 163 et seq.](#)). These funds will be managed separately and not commingled with the Long Term Fund if the terms of the instrument by which the fund was created preclude investment through the Long Term Fund. In addition, nonmarketable securities held by an endowment fund may be recorded as separately invested. All other endowment funds and funds functioning as endowments will be invested through the Long Term Fund.
- 5.2 Trust Fund and Life Income Accounts *(last amended 8/7/03)*  
Trust funds and other life income accounts will be invested and administered consistent with The University of Texas System Separately Invested Endowment, Trust, and Other Accounts Investment Policy Statement, U. T. System Gift Acceptance Procedures, and the investment standards set forth in the Texas Trust Code ([Texas Property Code Section 111.001 et seq.](#)).
- 5.3 Application of Other Regulations  
The provisions of Subsections 3.2, 3.3, and 3.4 of this Chapter with respect to the investment and management of the PUF, shall likewise apply to endowment and trust funds except that Subdivision 3.21 of this Chapter shall be applied only when such funds are invested through a U. T. investment pool.
- 5.4 Other Accounts  
Other Accounts as defined in The University of Texas System Separately Invested Endowment, Trust, and Other Accounts Investment Policy Statement shall be invested and administered consistent with that policy.

Sec. 6. Matters Relating to Real Property

- 6.1 Management of Interests in Real Property Generally  
All interests in real property owned or controlled by the Board shall be administered and managed by the System Real Estate Office, except Permanent University Fund lands, real properties used for institutional purposes, and real property investments managed by UTIMCO. "Institutional purposes" shall not include use solely to generate funds for the institution.
- 6.2 Management of Real Properties Used for Institutional Purposes  
All interests in real property owned or controlled by the Board and used for institutional purposes shall be administered and managed by the component institution, with the assistance and supervision of the System Real Estate Office.
- 6.3 Management of Permanent University Fund Lands  
Permanent University Fund lands shall be administered and managed by the West Texas Operations Office.

6.4 Delegation of Authority (*editorially amended 9/03 and 9/04*)

Subject to Subdivisions 6.41, 6.42, and 6.43 of this Chapter and the general provisions of Part One, Chapter I, Section 9 and except as otherwise specified in these Rules and Regulations, the Board delegates to the Executive Vice Chancellor for Business Affairs or a designee specified in writing the authority to execute and deliver on behalf of the Board contracts, agreements, and other documents or instruments regarding or conveying interests in, real property owned or controlled by the Board, including Permanent University Fund lands; real property acquired by purchase, gift, or bequest; and real property used for institutional purposes. The authority granted in this Subsection shall include all instruments necessary and convenient relating to the management, control, sale, acquisition, lease, and disposition of any real property, including mineral interests, owned or controlled by the Board, and licenses, permits for activities on such lands, and instruments relating to mortgages.

6.41 The delegate shall comply with all guidelines issued by the Office of General Counsel.

6.42 The delegate shall consult with the institutional chief business officer prior to approving and executing any agreement or instrument relating to lands used or to be used for institutional purposes.

6.43 The authority granted by this Subsection to execute and deliver binding contracts, agreements, and other documents or instruments relating to the acquisition of real property applies only if the real property is within a Campus Master Plan approved by the Board or if the matter is an easement or other similar agreement necessary to implement projects approved by the Board in the Capital Improvement Program and the Capital Budget.

6.5 Delegation of Authority Regarding Space Leases

Subject to Subdivision 6.41 of this Chapter and the general provisions of Part One, Chapter I, Section 9, the Board delegates to the Chancellor or each component president the authority to execute and deliver on behalf of the Board lease agreements and related documents for the purpose of leasing space for use by the institution for institutional purposes.

6.6 Responsibilities of the Board Under Oil and Gas Leases and Other Documents Issued by the Board for Lease (*editorially amended 9/03 and 9/04*)

The Board delegates to the Executive Vice Chancellor for Business Affairs authority to take any action on behalf of the Board as may be necessary or desirable with regard to the management and administration of oil and gas leases and other instruments issued by the Board for Lease of University Lands, including without limitation, promulgating forms and requiring submission of documents, records, or reports to verify gross production, and disposition and market value of the production.

6.7 All Real Property Interests Held in Name of the Board

Title to all interests in real property, including leasehold interests, held for the use or benefit of the System, a component institution, or otherwise shall be held in the name of the Board.

6.8 Planned Gifts and Bequests (*editorially amended 9/04*)

The Office of Development and Gift Planning Services shall, in accordance with applicable Board policies, process and administer the receipt of real property received by the Board through a bequest, an interest in an account held in trust, a gift to establish or modify an endowment (other than the Permanent University



Fund), a fund functioning as an endowment, or a life income or annuity fund. The Office of Development and Gift Planning Services shall promptly notify the Real Estate Office and University Lands - West Texas Operations of gifts of surface and mineral estates in real property received, processed, and administered pursuant to this Subsection to be managed by the Real Estate Office and University Lands - West Texas Operations, respectively. This Subsection shall not apply to current purpose gifts of surface and mineral estates in real property (other than gifts received through a bequest or a trust) or additions to an existing endowment, a fund functioning as an endowment, or a life income or annuity fund if the addition does not change or modify the purpose of the endowment or fund.

6.9 Current Purpose Gifts

The Real Estate Office and University Lands - West Texas Operations shall, in accordance with Board policies, process and administer the receipt of all gifts of surface and mineral estates in real property that are not processed and administered in accordance with Subsection 6.8 of this Chapter, unless the property is used as campus property by the component institution. The component institution shall manage real property used for campus purposes.

6.(10) Rents, Mortgages, and Other Charges

The Board delegates to the System Real Estate Office authority to collect, and account for, all rents, mortgages, and other charges relating to real property managed by that Office.

## **PART TWO, CHAPTER X**

### **AUXILIARY ENTERPRISES AND STUDENT SERVICES**

Sec. 1. Definitions and Examples

Auxiliary Enterprises are those operated primarily for service to students, faculty, and staff. Such enterprises are expected to be self-supporting. Examples of such enterprises are residence halls, dining halls, student hospitals, student unions, bookstores, which are supported through sales and/or usage fees, and activities supported from fees collected as voluntary or compulsory Student Services Fees.

Sec. 2. Annual Budget and Deposit of Funds

Annual budgets for these activities shall be prepared and submitted through regular administrative channels, and expenditures shall be within budgets approved by administrative officials and the Board. Income of Auxiliary Enterprises is not deposited with the State Treasury, and any balances or deficits at the end of a fiscal year may be reappropriated for the succeeding year.

Sec. 3. Applicable Regulations

With the exception of intercollegiate athletic departments, to which the general and special provisions of the Appropriations Act do not apply, the same regulations and applicable laws shall govern as apply to the budgeting and expenditure of general funds unless otherwise specifically authorized.

Sec. 4. Approval of Housing Rates

Rentals and related policies and rates for dormitories and housing facilities shall be

approved in advance by the component institution president, the appropriate Executive Vice Chancellor, and the Board.

Sec. 5. Administration of Housing Facilities and Eating Facilities

Rules and regulations for the administration of dormitories, other housing facilities, dining halls, and other eating facilities, shall be promulgated by administrative officials and the president at the institution concerned.

Sec. 6. Statutory Provisions Currently in Effect (*editorially renumbered 12/02*)

Auxiliary Budgets shall comply with statutory provisions and rider provisions of the current General Appropriations Act.

Sec. 7. Student Publications (*editorially renumbered 12/02*)

Rules and regulations for the establishment, administration, and operation of student publications shall be promulgated by administrative officials and the president at the institution concerned, provided that such rules and regulations shall not be effective until approved by the appropriate Executive Vice Chancellor for inclusion in the institutional Handbook of Operating Procedures.

Sec. 8. Student Center and Student Union Facilities (*editorially renumbered 12/02*)

Rules and regulations for the establishment, administration, and operation of student center or union facilities shall be promulgated by administrative officials and the president at the institution concerned, provided that such rules and regulations shall not be effective until approved by the appropriate Executive Vice Chancellor for inclusion in the institutional Handbook of Operating Procedures. Rules and regulations for the use of student center or union facilities shall be consistent with the provisions of the Regents' Rules and Regulations, Part One, Chapter VI, Section 6.

Sec. 9. Intercollegiate Athletics Programs (*editorially renumbered 12/02*)

Rules and regulations governing the establishment, administration, and operation of intercollegiate athletics programs shall be promulgated by administrative officials and the president at the institution concerned, provided that such rules and regulations shall not be effective until approved by the Executive Vice Chancellor for Academic Affairs for inclusion in the institutional Handbook of Operating Procedures.

Sec. 10. Employment of a Students' Attorney (*editorially renumbered 12/02*)

10.1 Limitations on Representation

If an attorney is retained in any manner by a component institution or by a Students' Association or other agency of student government at any component institution of the System to serve as a students' attorney, said attorney shall not act as counsel of record nor represent any student, faculty member, or staff member; any group or combination of students, faculty members, or staff members; or System Administration or any component institution of the System:

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

10.12 At any stage of any criminal proceeding in any federal, State, county, or local court.

10.13 At any stage of any civil proceeding in any federal, State, county, or local

court where such proceeding is directly or indirectly against or antagonistic to the interests of the System or any component institution thereof, or against or antagonistic to the interests of any person who is sued in his or her official capacity as an officer of the System or any component institution thereof.

10.2 Contracts Subject to Applicable Regulations

Any contract or agreement for legal services entered into by a Students' Association or other agency of student government or other agency of a component institution with an attorney whose remuneration will be paid from funds under the control and management of the Board, including funds from student fees whether compulsory or voluntary, is expressly subject to the applicable provisions of the Regents' Rules and Regulations.

Sec. 11. Student Debit Cards (*editorially amended 9/03 and 9/04*)

The Board delegates to each component president the authority to establish a program to provide students enrolled at the institution with a debit card. The debit card program must comply with applicable State and federal law. Before implementing a debit card program at the institution, the component president must obtain the prior approval of the Executive Vice Chancellor for Business Affairs. In addition, the component president shall comply with applicable guidelines issued by the Office of General Counsel.

## **PART TWO, CHAPTER XI**

### **CONTRACT ADMINISTRATION**

Sec. 1. Delegation of Authority

Subject to Subsection 1.1 of this Chapter and to the general provisions of Part One, Chapter I, Section 9 and except as otherwise provided in these Rules and Regulations, the Board delegates to the Chancellor or the president of a component institution authority to execute and deliver on behalf of the Board contracts and agreements of any kind or nature, including without limitation licenses issued to the Board or a component institution.

1.1 Business Aspects (*editorially amended 9/03 and 9/04*)

The chief business officer of the component institution or the Executive Vice Chancellor for Business Affairs, as appropriate, shall approve the business aspects of contracts or agreements prior to execution.

1.2 Applicability

This Chapter applies to all contracts and agreements except contracts or agreements relating to personnel, faculty, athletics or athletic events, real properties (except the lease of space for use by a component institution), physical plant improvements, acceptance or administration of gifts or bequests, contracts and grants for sponsored research, contracts for legal services, and agreements to settle claims, disputes, or litigation.

Sec. 2. Special Approval Processes

2.1 Small Purchase Programs

The Board delegates to each component president authority to implement, manage, and oversee a small purchase program to allow purchases of routine supplies, services, and equipment to be made by specified employees. A small

purchase program shall not permit any purchase for more than \$5,000. The small purchase program shall provide appropriate oversight and include all procedures necessary to assure compliance with these Rules and Regulations and applicable laws.

2.2 System Administration and System-Wide Contracts (*editorially amended 9/03 and 9/04*)

Subject to Section 1 of this Chapter, the Board delegates to the Executive Vice Chancellor for Business Affairs authority to execute and deliver on behalf of the Board contracts or agreements with third parties affecting only System Administration or, with the concurrence of the component institutions affected, contracts for the benefit of all or a majority of the component institutions.

2.3 Contracts Between or Among System Administration and Component Institutions (*editorially amended 9/03 and 9/04*)

The Board delegates to the Executive Vice Chancellor for Business Affairs authority to execute on behalf of the Board contracts or agreements between or among System Administration and component institutions for resources or services. Any such contract or agreement shall provide for the recovery of the cost of services and resources furnished.

2.4 Contracts with System Administration or Between or Among Component Institutions

The Board delegates to the component institution president authority to execute on behalf of the Board contracts or agreements with System Administration or between or among component institutions for resources or services. Any such contract or agreement shall provide for the recovery of the cost of services and resources furnished.

2.5 Contracts Associated with Property and Casualty Losses (*editorially amended 9/03 and 9/04*)

2.51 In the case of a property or casualty loss in which the total loss is expected to exceed \$1 million, the Board delegates to the Chancellor authority to approve, execute, and deliver on behalf of the Board all contracts or agreements, including purchase orders and vouchers, associated with or related to the loss and having a cost or monetary value to the System Administration or the component institution in excess of \$1 million but not exceeding \$10 million, subject to Subdivision 2.52 of this Chapter and the general provisions of Part One, Chapter I, Section 9 of these Rules and Regulations.

2.52 The Chancellor shall consult with the institutional president, if applicable, and obtain the approval of the chief business officer of the component institution or the approval of the Executive Vice Chancellor for Business Affairs, as appropriate, with respect to the business aspects of each contract or agreement prior to executing the contract or agreement.

Sec. 3. Legal Matters

3.1 Contracts for Legal Services

The Board delegates to the Vice Chancellor and General Counsel authority to execute and deliver on behalf of the Board contracts for legal services and such other services as may be necessary or desirable in connection with the settlement or litigation of a dispute or claim after obtaining approvals as may be required by law.

3.2 Settlement of Disputes (editorially amended 11/03)

Except as provided in Subsection 3.3 of this Chapter, the Board delegates to the Vice Chancellor and General Counsel authority to execute and deliver on behalf of the Board agreements settling any claim, dispute, or litigation subject to approval of System officials as set out below and compliance with all other legal requirements. The Vice Chancellor and General Counsel shall consult with the component institution president and the appropriate Executive Vice Chancellor with regard to all significant settlements that will be paid out of institutional funds. The Vice Chancellor and General Counsel shall consult with the Office of External Relations with respect to settlement of will contests and other matters relating to gifts and bequests administered by that Office.

<u>Amount</u>	<u>Additional Requirements</u>
\$150,000 or less	None
\$150,001 to \$500,000	Concurrence of the Chancellor or the appropriate Executive Vice Chancellor
More than \$500,000	Concurrence of the Board of Regents, the Executive Committee, or the appropriate standing committee of the Board

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

3.3 Settlement of Claims and Disputes Relating to Construction Projects

The Board delegates authority to execute all documents necessary or desirable to settle claims and disputes relating to construction projects to the System or component institution official designated in the construction contract to the extent funding for the project has been authorized in accordance with the provisions of Part Two, Chapter VIII of these Rules and Regulations.

## **PART TWO, CHAPTER XII**

### **INTELLECTUAL PROPERTY**

Sec. 1. Philosophy and Objectives

It is the objective of the Board to provide an intellectual property policy that will encourage the development of inventions and other intellectual creations for the best interest of the public, the creator, and the research sponsor, if any, and that will permit the timely protection and disclosure of such intellectual property whether by development and commercialization after securing available protection for the creation, by publication, or both. The policy is further intended to protect the respective interests of all concerned by ensuring that the benefits of such property accrue to the public, to the inventor, to the System, and to sponsors of specific research in varying degrees of protection, monetary

return and recognition, as circumstances justify or require. Each component institution may develop in its Handbook of Operating Procedures additional policies and rules covering the subject matter of this Section not inconsistent with this Section or other policies or procedures adopted by the Board.

Sec. 2. General Policy

2.1 Individuals Subject to Policy

The intellectual property policy shall apply to all persons employed by the U. T. System and the component institutions of the System (including, but not limited to, full and part-time faculty and staff and visiting faculty members and researchers), to anyone using System facilities, to undergraduates, to candidates for master's and doctoral degrees, and to postdoctoral and predoctoral fellows.

2.2 Types of Intellectual Property Included

Except as set forth in Subsections 2.3, 2.4, and 4.1 of this Chapter, this policy shall apply to and the Board may assert ownership in intellectual property of all types (including, but not limited to, any invention, discovery, trade secret, technology, scientific or technological development, research data and computer software) regardless of whether subject to protection under patent, trademark, copyright, or other laws.

2.3 Interest of the Board

The Board shall assert its interest in scholarly or educational materials, artworks, musical compositions, and dramatic and nondramatic literary works related to the author's academic or professional field, regardless of the medium of expression, as follows:

2.31 Students, Professionals, Faculty and Researcher Authors

The Board shall not assert ownership of works covered by this Subsection and authored by students, professionals, faculty, and nonfaculty researchers. The Board encourages these authors to manage their copyrights carefully. The Board retains certain rights in these works as set forth in the Policy and Guidelines for Management and Marketing of Copyrighted Works.

2.32 Software

The Board normally shall assert ownership in software as an invention; however, original software that is content covered by Subdivision 2.31 of this Chapter, or that is integral to the presentation of such content, shall be owned in accordance with Subdivision 2.31.

2.4 Works for Hire

Notwithstanding the provisions of Subsection 2.3 of this Chapter, the Board shall have sole ownership of all intellectual property created by an employee who was hired specifically or required to produce it or commissioned by the System or a component institution of the System. Except as may be provided otherwise in a written agreement approved by the president of the component institution, the provisions of Subdivision 4.25 of this Chapter relating to division of royalties shall not apply to intellectual property owned solely by the Board pursuant to this Subsection 2.4.

2.5 Role of Inventor or Author

Any person who as a result of his or her activities creates intellectual property that is subject to this policy, other than on government or other sponsored research projects where the grant agreements provide otherwise, should have a major role in the ultimate determination of how it is to be published; however, the component

president will decide in his or her sole discretion whether to develop and commercialize an invention after securing available protection for the creation, if necessary.

2.6 Support for Patentable Inventions and Intellectual Property

The System, with the cooperation of the component institution, will provide review and management services for patentable inventions as well as other intellectual property either by its own staff, through a related foundation, or by other means.

2.7 Service of Public Interest

It is a basic policy of the System that intellectual property be developed primarily to serve the public interest. This objective usually will require development and commercialization by exclusive licensing, but the public interest may best be promoted by the granting of nonexclusive licenses. These determinations will be recommended and made in accordance with the administrative procedures hereinafter set out.

2.8 Use of Facilities and Resources

Neither the facilities nor the resources of the System or its component institutions may be used (i) to create, develop, or commercialize intellectual properties unrelated to an individual's employment responsibilities (See Subsection 4.1 of this Chapter); or (ii) to further develop or commercialize intellectual properties that have been released to an inventor (See Subdivision 4.22 of this Chapter) except as the component institution's president may approve where the System retains an interest under the terms of the release.

2.9 Creation of Data

An employee whose research activities result in the creation of data that is owned by the Board pursuant hereto shall have a nonexclusive license to use such data for nonprofit educational, research, and scholarly purposes within the scope of the employee's employment, subject to adherence to other provisions of this policy.

Sec. 3. Intellectual Property Advisory Committees and Office of General Counsel

3.1 Intellectual Property Advisory Committees

To help administer the intellectual property policy at each component institution and to make recommendations to presidents for further referral to the System Administration and the Board (in those cases when action by the System Administration and/or the Board is required), departmental or institutional intellectual property advisory committees may be established by the component institutions.

3.2 Office of General Counsel

The Office of General Counsel will assist component institutions with all legal matters relating to intellectual property. Among other responsibilities, the Office of General Counsel will help component institutions secure protection for intellectual property when appropriate and will police infringements; maintain central databases and files of patent applications, issued patents, copyrights, licenses, and agreements; coordinate with component institutions in negotiating and preparing license and other agreements; and review and approve as to form all agreements relating to intellectual property.

Sec. 4. Property Rights and Obligations

4.1 Exclusive Property of the Creator and the System

Intellectual property unrelated to the individual's employment responsibility that is developed on an individual's own time and without System support or use of System facilities is the exclusive property of the creator and the System has no interest in any such property and no claim to any profits resulting therefrom. Should the creator choose to offer the creation to the System, the component president may support and finance a patent application or other available protective measures and manage the development and commercialization of the property under terms and conditions as may be agreeable to the parties. If the creator makes the offer after obtaining a patent or other protection, the component president may reimburse the creator for expenses in obtaining such protection.

4.2 Property Related to Employment or Resulting from State Support Subject to Ownership by the Board

Intellectual property either related to the individual's employment responsibility, or resulting from activities performed on System time, or with support by State funds, or from using System facilities is subject to ownership by the Board.

4.21 Before intellectual property subject to ownership by the Board is disclosed to any party outside the System, to the public generally, or for commercial purposes, and before publishing same, the creator shall submit a reasonably complete and detailed disclosure of such intellectual property to the president of the creator's institution for determination of the System's interest. A component institution may establish guidelines in its Handbook of Operating Procedures for submitting different categories of intellectual property to its departmental or institutional intellectual property advisory committee and procedures to be followed by the committee in reviewing and evaluating such submissions. Such guidelines and procedures shall be consistent with this policy and shall be subject to approval as a part of the institutional Handbook. In those instances, however, where delay would jeopardize obtaining the appropriate protection for the property, the creator may request the approval of the component president to file a patent application or take other steps to obtain available protection prior to the administrative review provided in the following two Subdivisions. If the request is granted, the creator may proceed with the filing of a patent application or other available protective measures pending the determination of the System's interest; provided, however, that the creator shall be reimbursed for reasonable expenses in filing the patent application or taking other steps to obtain protection as the parties may negotiate if the decision of the System is to assert and exploit its interests. Either the Chairman of the departmental or institutional intellectual property advisory committee or the component president shall notify the Office of General Counsel of any such application.

4.22 If the component president elects not to assert and exploit System's interest, the Office of General Counsel and the creator shall be notified within 180 days of the date of a complete submission that the invention will be released to the creator after which he or she will be free to obtain and exploit a patent or other intellectual property protection in his or her own right and the System shall not have any further rights, obligations, or duties with respect thereto except that, in appropriate circumstances the component president may elect to impose certain limitations or obligations or retain income rights.

4.23 The component president may elect to release an invention to its creator at any time after asserting System's interest, with notice to the Office of General Counsel; however, such a release shall include provisions for the recovery of patent and licensing expenses, if any, the retention of income



rights and other appropriate limits or obligations, as set forth above for creations in which the System's rights are never asserted.

4.24 With respect to intellectual property in which the System asserts an interest, the component president shall decide how, when, and where the intellectual property is to be protected and may proceed either through its own efforts or those of an appropriate private firm or attorney to obtain protection and manage the intellectual property. Outside counsel services may be contracted with the consent of the Vice Chancellor and General Counsel and, if required by law, the approval of the Attorney General. It shall be mandatory for all employees, academic and nonacademic, to assign the rights to intellectual property and patents to the Board when such creations fall within Subsection 4.2 of this Chapter.

4.25 In those instances where the System licenses rights in intellectual property to third parties, the costs of licensing, including the costs to operate and support a technology transfer office and departmental or institutional intellectual property advisory committees, and the costs of obtaining a patent or other protection for the property on behalf of the Board shall first be recaptured from any royalties or other license payments received by the System, and the remainder of such income (including but not limited to license fees, prepaid royalties, minimum royalties, running royalties, milestone payments, and sublicense payments) shall be divided as follows:

50% to creator

50% to System.

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

4.3 Property Resulting from Sponsored Research Subject to Ownership by the Board  
Intellectual property resulting from research supported by a grant or contract with the federal government, or an agency thereof, with a nonprofit or for profit nongovernmental entity, or by a private gift or grant to the System shall be subject to ownership by the Board.

4.31 Administrative approval of application requests to, and acceptance of grants or contracts with, the federal government or any agency thereof, with a nonprofit or for profit nongovernmental entity, or a private donor that contain provisions that are inconsistent with this policy, or other policies and guidelines adopted by the Board from time to time imply a decision that the value to the System of receiving the grant or performing the contract outweighs the impact of any nonconforming provisions of the grant or contract on the intellectual property policies and guidelines of the System.

4.32 The intellectual property policies and guidelines of the System are subject to, and thus amended and superseded by, the specific terms pertaining to intellectual property rights included in federal grants and contracts, or grants and contracts with nonprofit and for profit nongovernmental entities or private donors, to the extent of any conflict.

4.33 In those instances where it is possible to negotiate System-wide intellectual property agreements with the federal agencies or nonprofit

and for profit nongovernmental entities or private donors and thereby obtain more favorable treatment for the creator and the System, every effort will be made to do so with the cooperation and concurrence of the Office of General Counsel after consultation with the institutional president.

- 4.34 Employees of the System whose intellectual property creations result from a grant or contract with the federal government, or any agency thereof, with a nonprofit or for profit nongovernmental entity, or by private gift to the System shall make such assignment of such creations as is necessary in each case in order that the System may discharge its obligation, expressed or implied, under the particular agreement.
- 4.35 In the event that two or more persons are entitled to share royalty income pursuant to Subdivision 4.25 of this Chapter (or equity pursuant to Section 5 of this Chapter) and such persons cannot agree on an appropriate sharing arrangement as evidenced by a clear and unequivocal written agreement transmitted to the departmental or institutional intellectual property advisory committee, or if inventors are located at two or more component institutions, to the Office of General Counsel, that portion of the royalty income to which the creators are entitled under this policy will be distributed to such persons in such portions as the component president or, in the event that the creators are located at two or more component institutions within the System, the Chancellor may deem appropriate under the circumstances and such decision shall be binding on the creators.
- 4.36 A decision by the System to seek patent or other available protection for intellectual property covered by Subsection 4.2 of this Chapter shall not obligate System to pursue such protection in all national jurisdictions. The System's decision relating to the geographical scope and duration of such protection shall be final.

## Sec. 5. Equity Interests

### 5.1 Agreement with Business Entities

In agreements with business entities relating to rights in intellectual property owned by the Board, the System may receive equity interests as partial or total compensation for the rights conveyed. In any such instance, the component institution where the intellectual property was created may elect, at its option, to share an equity interest, dividend income, or the proceeds of the sale of an equity interest with the creator(s) in the same manner as royalties are shared pursuant to Subdivision 4.25 of this Chapter. The System may also receive equity interests in a business entity as consideration for the component institution's role as a founder or cofounder of the business entity, and shall not be obligated to share such equity interests with the creator(s).

### 5.2 Approval of Individual Holding Equity

Employees of the System who conceive, create, discover, invent, or develop intellectual property may hold an equity interest in a business entity that has an agreement with the System relating to the research, development, licensing, or exploitation of that intellectual property only so long as the component institution where the intellectual property was developed is in full compliance with the requirements to have, implement, and enforce for that employee an effective conflict of interest management plan approved by the component institution's president as set forth in the "Procedure for Obtaining Approval of Plan to Manage Conflicts of Interest." In any case where actual conflict of interest is found, the employee may be required to divest the equity interest or terminate affected

research.

5.3 Negotiations Related to Equity

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

5.4 Right to Income from Interests Held by the Board

Except as provided in Subsection 5.1 of this Chapter, dividend income and income from the sale or disposition of equity interests held by the Board pursuant to agreements relating to intellectual property shall belong to the System and shall be distributed in accordance with the provisions of Section 9 of this Chapter.

5.5 Right to Income from Interests Held by the Employee

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

Sec. 6. Business Participation

6.1 Approval to Serve as Officer or Director

Any System employee who conceives, creates, discovers, invents or develops intellectual property may serve as a member of the board of directors or other governing board or as an officer or an employee (other than as a consultant) of a business entity that has an agreement with the System relating to the research, development, licensing, or exploitation of that intellectual property only so long as the component institution where the intellectual property was developed is in full compliance with the requirements to have, implement, and enforce for that employee an effective conflict of interest management plan approved by the component institution's president as set forth in the "Procedure for Obtaining Approval of Plan to Manage Conflicts of Interest." In any case where actual conflict of interest is found, the employee may be required to terminate the business relationship or the relevant research.

6.2 Request for Individual to Serve as Officer or Director

When requested and authorized by the Board, an employee may serve on behalf of the Board as a member of the board of directors or other governing board of a business entity that has an agreement with the System relating to the research, development, licensing, or exploitation of intellectual property, but may not accept any consideration offered for service on such board.

Sec. 7. Annual Report of Equity Interest and Service as Officer or Director

Any employee covered by Subsections 5.2, 6.1, or 6.2 of this Chapter shall report in writing to the president of the component institution, or to such other person as may be designated by the president, the name of any business entity in which the person has an interest or for which the person serves as a director, officer, or employee and shall be responsible for submitting a revised written report upon any change in the interest or position held by such person in such business entity. These reports shall be forwarded to the Vice Chancellor and General Counsel by October 1 of each year for filing with the Board as required by [Texas Education Code Section 51.912](#) and inclusion in the annual financial report sent to the State officials listed in [Texas Education Code Section 51.005](#).

Sec. 8. Approval of and Execution of Legal Documents Relating to Rights in Intellectual Property

8.1 Legal Review

Agreements that grant an interest in Board intellectual property may be executed and delivered in accordance with the provisions of the Regents' Rules and Regulations, Part Two, Chapter XI, following any required review by the Office of General Counsel.

8.2 Agreement at Variance with Policy

Any document altering substantially the basic intellectual property policy of the System as set out in the preceding Sections and other policies and guidelines that may be adopted by the Board may be executed and delivered as set forth in Subsection 8.1 of this Chapter if, in the judgment of the component president, the benefits from the level of funding for proposed research and/or other consideration from a sponsor, licensee, or other party outweigh any potential disadvantage that may result from the policy deviation.

8.3 Authority to Execute Documents

The Chancellor, the appropriate Executive Vice Chancellor, or the Vice Chancellor and General Counsel may execute, on behalf of the Board, legal documents relating to the Board's rights in intellectual property, including, but not limited to, declarations, affidavits, powers of attorney, disclaimers, and other such documents relating to patent applications and patents; applications, declarations, affidavits, affidavits of use, powers of attorney, and other such documents relating to trademarks; corporate documents related to the formation of new companies; and other documents approved pursuant to Subsections 8.1 or 8.2 of this Chapter. The component president or designee may execute, on behalf of the Board, institutional applications for registration or recordation of transfers of ownership and other such documents relating to copyrights.

Sec. 9. Income from Intellectual Property

9.1 Use of Income

The portion of the net income the System retains from royalties and any other intellectual property-related income shall be used by the component institutions where the income-producing creation originated for research and other purposes approved by the Board in accordance with standard budgetary policies. At the option of a component institution, such income may be accumulated in an endowment fund with the income to be distributed to the component institution for such purposes as may be approved by the Board.

9.2 Royalties Payable to Employee

With the prior written approval of the president of the component institution, payments payable to a faculty member pursuant to Subdivision 4.25 of this Chapter may be assigned to the component institution by the faculty member and designated for use in research to be conducted by such faculty member.

Sec. 10. Implementation of Intellectual Property Policy

The Office of General Counsel shall prepare and distribute to the component institutions such model agreements and recommended procedures as may be considered appropriate for the implementation of the provisions of intellectual property policies and guidelines adopted by the Board.

Sec. 11. Construction of Documents

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

## **PART TWO, CHAPTER XIII**

### **CONTRACTS AND GRANTS FOR SPONSORED RESEARCH**

Sec. 1. Delegation of Authority

Subject to the general provisions of Part One, Chapter I, Section 9, the Board delegates to the Chancellor or each institutional president authority to execute and deliver on behalf of the Board contracts or grant proposals for sponsored research, other than agreements that grant to a third party an interest in intellectual property owned or controlled by the Board, which agreements must be processed as required by Part Two, Chapter XII, Subsection 9.1 of these Rules and Regulations. Funds shall not be encumbered or expended prior to execution of the contract or grant by the Chancellor or each institutional president. The Chancellor or each institutional president may require that the chief business officer or delegate approve the business aspects of contracts or grant proposals for sponsored research prior to execution.

Sec. 2. Budgets, Overhead Rates, and Specialized Rates

2.1 Budget

Expenditures under any contract or grant must conform to the detailed budget, if any, included in the proposal for such contract or grant, as such budget may be amended by authorized procedures.

2.2 Overhead Rates

Proposals regarding overhead rates and specialized rates for fringe benefits, computers, services, and other facilities and equipment chargeable to cost-reimbursement contracts and grants shall be negotiated with the appropriate cognizant agency by the institution's chief business officer. The chief business officer shall send a copy of the final negotiated agreement to the Controller.

2.3 Renewals and Replacements

To the extent that indirect cost recoveries from the application of overhead rates are derived from use charges for buildings, other improvements, or equipment, the funds so derived shall be designated for renewals or replacements of such buildings, improvements, or equipment or for other purposes specified and approved in the budget processes as related to the indirect cost recoveries.

Sec. 3. Employment of Noncitizens on Sponsored Projects

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